



**The FISHERIES IMPROVED FOR SUSTAINABLE HARVEST Project**

## **SPECIAL ACTIVITIES FUND GUIDELINES**

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## **LIST OF ABBREVIATION AND ACRONYMS**

BFAR	Bureau of Fisheries and Aquatic Resources
CO	USAID Contracting Officer
COP	Chief of Party
CTO	USAID Cognizant Technical Officer
CRM	Coastal Resource Management
DCOP/Admin	Deputy Chief of Party for Administration
DCOP/FO	Deputy Chief of Party for Field Operations
FAO	Fisheries Administrative Order
FISH Project	Fisheries Improved for Sustainable Harvest Project
GOP	Government of the Philippines
IR	Intermediate Results
LGU	Local Government Unit
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MPA	Marine Protected Area
MTDP	Medium Term Development Plan
NGA	National Government Agency
NGO	Non-Government Organization
PO	People's Organization
PVO	Private Voluntary Organization
RFA	Request for Applications
RFP	Request for Proposals
SAF	Special Activities Fund
Tetra Tech	Tetra Tech EM Inc.
USAID	United States Agency for International Development
USAID/Philippines	United States Agency for International Development Mission in the Philippines

## 1.0 INTRODUCTION

### 1.1 BACKGROUND ON THE FISH PROJECT

Tetra Tech EM Inc. (Tetra Tech) received United States Agency for International Development (USAID) Contract No. 492-C-00-03-00022-00, the Fisheries Improved for Sustainable Harvest (FISH) Project, to provide technical assistance to the Government of the Philippines' (GOP), Department of Agriculture – Bureau of Fisheries and Aquatic Resources (BFAR) in fisheries management. The FISH Project is a 7-year (2003 – 2010) technical assistance project consisting of a 5-year base period extending from September 22, 2003 through September 21, 2008; and a 2-year option period extending from September 22, 2008 through September 21, 2010.

The FISH Project will support national and local activities to achieve an overall expected result of 10 percent increase in fish stocks in four focal areas by 2010 (Table 1). The results framework provides expected results, indicators, and units of measure for biophysical parameters and institutional capacity.

**TABLE 1**  
**RESULTS FRAMEWORK FOR THE FISH PROJECT**

Result	Indicators
<b>Strategic Objective 4:</b> Productive and life sustaining natural resources protected through improved management and enforcement	
<b>Fish Project Result:</b> Marine fish stocks increased by 10 percent (over 2004 baseline levels) in focal areas by the year 2010	PR1 Abundance of selected fisheries resources in focal areas (% change in catch per unit effort compared to baseline based on fishery-independent methods)
	PR2 Catch rate of selected fisheries in focal areas (Average % change in catch per unit effort compared to baseline based on fishery-dependent methods)
	PR3 Reef fish density inside and adjacent to selected MPA's in focal areas (% change in abundance/500 m2 compared to baseline)
	PR4 Reef fish species richness inside and adjacent to selected MPA's in focal areas (% increase in No. of species/500 m2 compared to baseline)
	PR5 Benthic condition inside and adjacent to selected MPA's in focal areas (% change of living coral cover compared to baseline)

**TABLE 1 (continued)**  
**RESULTS FRAMEWORK FOR THE FISH PROJECT**

<b>Result</b>	<b>Indicators</b>
<b>Intermediate Result 1:</b> National and local capacity increased for fisheries management in four target areas	IR1.1 Municipal fishers and crafts operating in target areas registered and licensed (% of municipal fishers operating in target area registered and licensed compared to baseline) IR1.2 Law enforcement units, prosecutors, and judiciary trained and/or assisted in fisheries law enforcement (No. of coastal law enforcement units established and/or improved and functional in each target area) IR1.3 Effort restrictions introduced in focal areas (No. of effort restrictions introduced ) IR1.4 Marine protected areas established and/or improved to protect critical habitats, migration routes, and spawning areas and functional in focal areas (No. of MPAs and hectares at MPA rating level 2) IR1.5 Local government units in focal areas adopting CRM (No. of municipalities achieving basic requirements of CRM level 1 benchmarks) IR1.6 Inter-LGU and interagency partnerships evidenced by collaborative agreements (MOAs, MOUs, joint activities), policy instruments, fisheries management plans, or other similar mechanisms (No. of agreements/plans signed or adopted among relevant stakeholders) IR1.7 Reproductive health/population programs implemented and/or improved in each focal area (No. of barangays integrating reproductive health/population management)
<b>Intermediate Result 2:</b> National policy framework developed supporting sustainable fisheries	IR2.1 National fisheries policies supporting sustainable fisheries (e.g. FAO's, MTDP, action agendas for international agreements) (No. of national policy instruments developed, reviewed or revised)
<b>Intermediate Result 3:</b> Constituency of informed, disciplined, and cooperative stakeholders developed and engaged in fisheries management	IR3.1 Public-private partnerships supporting fisheries management, social infrastructure, population programs, and socioeconomic development in target areas (No. of public-private partnerships) IR3.2 Dissemination and utilization of fisheries management information materials, training modules, policy studies, and project lessons. (No. of information materials distributed and training/forums conducted)

One of the project's funding facilities to accomplish the project results is the FISH Special Activities Fund (SAF). The SAF is a subcontract and grant program which requires to be utilized in collaboration with private non-profit organizations in the project areas. However, the initial results of the area profiling in the four focal areas indicate that potential partners with appropriate competencies and capabilities for fisheries management are very limited in view of their relative isolation. Most of these organizations with appropriate competencies are based in the regional urban centers (Manila, Cebu, Davao, Zamboanga), and tapping these private non-profit organizations to serve as intermediaries in the implementation of the grant program may prove to be cost inefficient and may run counter to the objective of



honing the capabilities of local partners. The SAF Guidelines is formulated taking these circumstances into consideration.

## **1.2 FISH SPECIAL ACTIVITIES FUND**

The FISH Project SAF forms part of the set of fisheries management interventions to facilitate accomplishment of outputs favorable to and consistent with the overall objectives of the project. The SAF is intended to support strategic undertakings that are necessary for sustainable fisheries management and to serve as incentive to key partners in the four target areas. Funding proposals under the SAF should address any of the following objectives:

- a. To leverage support from other donor-supported projects, POs, NGOs, LGUs, and NGAs for coastal resource management that leads to sustainable fisheries management in the FISH target areas
- b. To augment the capacity of institutions for implementing fisheries management measures or activities that leads to the improvement of the coastal ecosystems integrity and the ultimate increase of fish stocks in focal areas
- c. To develop and introduce livelihood options or appropriate business enterprises to stakeholders who are directly involved in the implementation of fisheries management measures or who are dependent on coastal resources in some capacity as their main source of income
- d. To provide incentives to stakeholder groups for carrying out sustained fisheries management program.

The SAF will have two (2) components, namely: Subcontracts and Grants. The subcontract component will handle mostly the service-oriented type of activities with specific outputs or deliverables for a given timeframe. The grant component, on the other hand, will handle projects requiring goods and services with cost-sharing obligations. For both components, in behalf of USAID, Tetra Tech, the primary contractor through the FISH Project will award to eligible recipients special subcontracts or grants for activities that further coastal and fisheries management in accordance with the objectives set forth above. The foregoing guidelines are designed to fund activities that will help achieve the above results through the SAF.

## **1.3 ROLES AND DEFINITIONS**

The following definitions are provided to assist users in interpreting the SAF Guidelines for preparation of appropriate applications. Various sections of this manual describe these terms in further detail.

*Applicant* – A people's organization(PO), non-government organization (NGO), or other private development-oriented entity applying for a assistance under the FISH Project's SAF.

*Application* – A written document conforming to the requirements of this manual, which outlines in detail the project or activities being proposed by an applicant for funding under the SAF.

*Assistance Award* – The financial assistance extended to qualified applicants, the primary purpose of which is to provide support to fund activities that will help achieve the objectives and set goals of the FISH Project.

*Chief of Party* – The COP is the overall project team leader and authorized representative of the FISH Project on behalf of Tetra Tech EMI, the primary project contractor, relative to the implementation of the SAF Guidelines.

*Deputy Chief of Party for Administration* – The DCOP/Admin is responsible, together with the Chief of Party and the FISH Project Team, for achieving the objectives of the SAF. She will chair the Evaluation Committee and supervise grant funds administration and procedures under the SAF.

*Deputy Chief of Party for Operations* – The DCOP/Ops is responsible for the overall implementation of the SAF activities on the field. He will review and approve all deliverables and recommend to the COP for release of payments.

*Cognizant Technical Officer* – The CTO is the USAID/Philippines official responsible for administration of the FISH Project and shall provide clearance to every subcontract/grant awarded under the SAF to ensure compliance with the technical requirements.

*Contracting Officer* – The CO is the USAID/Philippines official who shall also maintain substantial involvement in the subcontracting or grant process and who has formally approved this SAF Guidelines for use under the FISH/SAF Program.

*Cost Sharing* – Is a contribution of cash or monetized in-kind, services, or equipment provided by the grantee or contracted organization as contribution to the overall cost of a grant.

*Evaluation Committee* – The team primarily responsible for the evaluation and selection of proposals, and subsequently recommending the award whether subcontract, grant, or a combination of both, to deserving applicants. It shall be composed of at least three FISH Project representatives including the DCOP/Admin who chairs the said committee, the Administrative Manager for FISH Project-Cebu Office, and a technical staff concerned depending on the nature of the proposal.

*FISH Project* – The Fisheries Improved for Sustainable Harvest (FISH) Project is an undertaking of the Government of the Philippines, through the Bureau of Fisheries and Aquatic Resources (BFAR), funded by the United States Agency for International Development (USAID), and managed by Tetra Tech.

*Non-expendable Equipment* – Property which is complete in itself, does not lose its identity or become a component part of another article when put into use, is durable with an expected service life of 2 years or more, and which has a unit cost of more than \$1,000.

*Project Proposal* – The document submitted as part of the SAF application that describes the project being proposed for funding and specifies the applicant’s goals and objectives as well as the proposed program that will be implemented using the SAF. It therefore forms the primary source of information for evaluation of the application.

*SAF Agreement* – A legal instrument that governs allocation of funds, determines the modality of the award, and defines roles and responsibilities of the subcontractor/grantee under the SAF Program. This type of assistance award is used by USAID to provide assistance for a project to achieve a particular goal for a specified period of time and when no substantial programmatic involvement of the funding agency is anticipated or required in the performance of the proposed activities.

*Site Managers/Coordinators* – The site managers are responsible for the monitoring of the subcontracts and grants at the site level and shall see to it that the SAF projects are implemented properly according to the contract or the grant agreement. He/she will conduct the first level review of the deliverables in his/her respective site and recommend approval to the DCOP/FO.

*Special Activities Fund* – The funds that will be made available to qualified organizations to undertake projects or activities that are allowed under these guidelines.

*Special Activities Fund Program* – The activity under the FISH Project that will manage and supervise the implementation of the SAF.

*Subcontractor/Grantee* – A private non-profit organization that has been awarded a subcontract/grant by FISH after approval by the FISH- COP.

*Suspension* – An action by FISH Project that temporarily withdraws FISH and USAID sponsorships, in whole or in part, under an award, pending corrective action by the recipient or pending a decision to terminate the award.

*Termination* – The cancellation of FISH Project and USAID sponsorship, in whole or in part, under an agreement at any time prior to the date of completion.

*Tetra Tech EM Inc.* – The principal contractor of the USAID for the FISH Project.

*United States Agency for International Development in the Philippines* – (USAID or USAID/Philippines) USAID provides funds for the FISH Project and approves the form and substance of these guidelines.

#### **1.4 CODE OF BUSINESS CONDUCT**

As a matter of principle, Tetra Tech conducts its business on the basis of the quality of its services and products and the integrity of its association with its customers and others. TTEMI maintains high business practice standards to protect the company’s reputation, the quality of its products and services, and the best interests of its customers, owners, and employees.

Some ethical standards observed by Tetra Tech shall be applicable to the Special Activities Fund Program as quoted herein below:

- *Conflict of Interest* – Employees should avoid situations where their private interests or that of the members of their family conflict with interests of the company. Employees may not solicit or accept salaries, fees, commissions or any other thing of value from contractors, suppliers, customers, consultants, or other persons and organizations doing business with the Company.
- *Antitrust Laws* – Tetra Tech’s policy is to comply with all federal, state, and local antitrust laws. Antitrust laws are intended to preserve competition by prohibiting actions that could unreasonably restrain the functioning of a free marketplace. Activities in restraint of trade including price-fixing or bid-rigging, and arrangements with competitors to divide or allocate markets or customers or exclude others from a market, are absolutely prohibited.

Foregoing premises considered, Tetra Tech-FISH Project employees, subcontractors, and grantees shall maintain the highest standards of ethical conduct governing the selection, award, implementation, and oversight of this SAF Program. Such ethical standards of conduct are derived from, but are not limited to, U.S. Federal laws, USAID rules and regulations, and Tetra Tech’s corporate policies and procedures.

## **2.0 SAF GUIDELINES**

### **2.1 WHO ARE ELIGIBLE**

The SAF may be availed of by private non-profit organizations. To qualify for support, proposals should indicate their relevance to the FISH Project goals and objectives and potential impact or contribution to coastal resource management (CRM) leading to sustainable fisheries and their management in the focal area.

### **2.2 WHO ARE NOT ELIGIBLE**

The FISH Project may not award the SAF to: (a) any U.S. entity which is a “private voluntary organization” (PVO) but has not registered as such with USAID; (b) any entity whose name appears on the “List of Parties Excluded from Federal Procurement and Non-Procurement Programs”; (c) any “public international organization”; (d) any government agency; (e) any entity affiliated with the contractor or any of its directors, officers, or employees; or (f) any entity whose name appears on the U.S. Department of the Treasury’s Specially Designated Nationals List. The FISH Project shall likewise not make any award in excess of \$20,000 to a U.S. Non-Government Organization (NGO).

## 2.3 WHAT ARE ELIGIBLE ACTIVITIES

The categories of activities eligible for funding under the SAF may include, but not be limited to, any of the following illustrative activities listed below. Variations are expected to emerge in actual practice in keeping with the needs and opportunities for flexible and innovative approaches in FISH Project focal areas.

- a. Support to fisheries management program. This may include provision for alternative sources of livelihood for communities affected with an effort restriction program such as closed season or area, gear restrictions, or limiting entry. Candidate activities for support could include development and implementation of environment-friendly enterprises, alternative investments, eco-tourism, and other financially viable sustainable activities that will reduce the dependence on fishery resources for livelihood.
- b. Support to habitat management program. Activities under this category may include support to managers and enforcers directly involved in the planning and implementation of marine protected areas (MPA) including the establishment of guardhouses and other related facilities that support MPA functions and effectiveness.
- c. Support to coastal law enforcement. The type of support under this category may include provision for law enforcement-related infrastructure and necessary gear and paraphernalia such as small boats, GPS, radios, and others.
- d. Support to institutional development. This assistance includes development and implementation of systems and procedures for CRM leading to ecosystem-based fisheries management and related provisions for institutional strengthening such as training, cross-visits to successful field sites, promoting learning by doing through selected field activities, leadership training, or other such activities.
- e. Other forms of fisheries management support. This includes other activities to be determined and approved by the SAF Evaluation Committee.

## 2.4 ELIGIBILITY CRITERIA

The SAF targets innovative proposals that pursue coastal and fisheries management from private non-profit organizations. The organizations that may be eligible for support under the SAF should work in partnership with local government units (LGU) and national government agencies (NGA) as appropriate to mainstream coastal and fisheries management strategies in the regular governmental structures as appropriate and should espouse principles of transparency and participatory development.

The SAF supports solicited proposals only. The following requirements should be met for proposals to qualify for eligibility:

- a. The proponent should be a legitimate private non-profit organization recognized by an appropriate government agency.

- b. Each proposed activity under SAF should not exceed PhP1 million.
- c. The proposed activity should meet at least one of the SAF objectives set forth in these guidelines.
- d. The proposed activity should show expected results consistent with the FISH Project's results framework.
- e. The proposed activity should indicate relevance to capacitating LGUs for fisheries management.
- f. The proposed activity should be implemented within FISH Project target areas.
- g. The completion of the proposed activity should not exceed 12 months or beyond the estimated completion date of the FISH Project whichever comes first.

### **3.0 SAF EVALUATION COMMITTEE**

#### **3.1 COMPOSITION**

The SAF Evaluation Committee shall be composed of the DCOP/Admin as Chairman, Administrative Manager-Cebu Project Office, and any appropriate technical specialist within the FISH Project team depending on the nature of the proposal and an accountant. The committee shall be primarily responsible for the evaluation of all proposals, and subsequently recommending approval to the COP. The FISH-CTO shall be invited during the evaluation process to provide technical guidance.

#### **3.2 DUTIES AND RESPONSIBILITIES**

The SAF Evaluation Committee shall undertake the following:

- a. Screen the proposals against established criteria.
- b. Require appropriate individuals to provide background information of the proposed activity.
- c. Request for the opinion of resource persons to determine the technical feasibility of the activity where appropriate.
- d. Deliberate on the merits of the proposal.
- e. Make a report detailing the recommendations for each proposal including the modality of the award namely, subcontract or grant arrangement.

### **4.0 SAF APPLICATION AND APPROVAL PROCEDURES**

#### **4.1 PROPOSALS**

Since potential partners with appropriate competencies and capabilities for fisheries management are very limited, and the universe of development partners in the target areas is too small, implementing a competitive grant program runs the risk of creating ill will in

local communities and may ultimately adversely affect the implementation of other project components.

Given these circumstances, the project shall limit the solicitation of proposals among invited and pre-selected proponents through a Request for Application (RFA) . Under the SAF, proposals shall be characterized to be targeted and identified in consultation with the key project staff and shall be based on specific area requirements.

Proposals under the SAF shall generally follow subcontracting modality. However, the project may opt to award grants when appropriate, upon the determination and recommendation by the evaluation committee. For subcontracts, proposals shall be solicited through a prepared Scope of Work detailing the works and services to be done under the SAF, while grant proposals, on the other hand, will be solicited by sending out a letter of invitation to a pre-selected proponent.

The potential projects and activities shall be determined during the project's regular meeting and will form part of the annual work plan and budget.

## **4.2 DOCUMENTATION REQUIREMENTS**

Proposals should generally follow the format outlined below. Variations may be allowed in accordance with the technical specifications and type of activities proposed. Each proposal should contain the following major elements:

1. Cover Letter
2. Proposal Document
  - a. Cover page: Title, proponent name, address, contacts, period of performance, and amount requested
  - b. Executive summary (1 page) that includes objectives, basic strategies, and results
  - c. Background and rationale for project in direct relation to FISH Project objectives
  - d. Statement of objectives and means of verification or indicators
  - e. Project strategies and activities
  - f. Expected results (quantifiable)
  - g. Implementation arrangements
  - h. Sustainability mechanisms
  - i. Detailed budget (showing cost sharing arrangements for Grant Proposals only))
  - j. Monitoring and reporting plan
  - k. Schedule of activities
  - l. Attachments (maps, list of PO members, other relevant documents, endorsement of LGU if appropriate)

The proposal should be submitted together with the following documents:

1. Copy of any government accreditation or registration documents (such as, SEC, CDA, DOLE, LGU)
2. Copy of applicant organization's charter or articles of incorporation and by-laws
3. Copy of the latest audited financial statement
4. Copy of BIR Vat Registration or Exemption

### 4.3 COST SHARING

For grants proposal, cost sharing arrangements shall be required. The applicant applies for the SAF in order to supplement funding obtained externally from other donors (co-funding), or internally from its own resources (cost-sharing). The FISH Project will make every reasonable effort to ensure that the assistance activities funded by the SAF through a grant include a cost-share component.

The following guide may be used to determine the acceptability of cost-share:

- The applicant's contribution may be met through cost-sharing, co-funding, or internal funds or a combination of the three. The nature and amount of this contribution must be clearly defined in the SAF application.
- The fair value of voluntary labor and other in-kind contributions will be considered as cost-sharing, and it is recognized that this will be the main contribution that many small, local NGOs and community organizations will be able to provide.
- If an applicant is able and willing to contribute office space, equipment, staff-time, and the like, a reasonable and fair value should be imputed by the applicant to this contribution so that it can be properly recognized.

### 4.4 PROPOSAL SUBMISSION, EVALUATION, AND SCREENING PROCEDURE

Each FISH Project Site Manager shall identify two or more projects or activities per year for possible funding under the SAF. These identified projects or activities shall be included in the annual programming and planning of the FISH Project. A scope of work will be drafted for each of the project or activity identified. The targeted proponent shall prepare a proposal based on the scope of work and submit the proposal. Upon submission of the proposals, the SAF Evaluation Committee shall start screening the proposals against established criteria and submit its recommendations to the COP for approval, whether to award a grant or to enter into a subcontract agreement with the proponent.

### 4.5 EVALUATION CRITERIA

SAF proposals will be evaluated according to its level of satisfaction to the objectives of the FISH Project in its target areas based on the following criteria:

a. Institutional capacity.....	15 points
b. Technical feasibility.....	35 points
c. Gender concerns.....	10 points
d. Cost efficiency.....	10 points
e. Likelihood of sustainability.....	<u>30 points</u>
<b>Total.....</b>	<b>100 points</b>



The definition of each criteria is given below:

A. *Institutional Capacity* – is the evidence of capability of the organization as a whole to undertake and accomplish the proposed activities. Evaluation will be based principally on reference checks by the FISH Project on the background, qualifications, reputation, and skills of its key personnel; and the track record, reputation, and achievements of the organization.

B. *Technical Feasibility* – is the quality and feasibility of the proposal in terms of the appropriateness of the proposed methodology, innovativeness, and the work plan for achieving project objectives. The proposed mechanism for monitoring and evaluation with objectively measurable indicators will also be appraised.

C. *Gender Concerns* – is the extent to which the proposed activity is able to address gender constraints to explicitly involve women in local fishery management; increase equal participation and access to resources and opportunities by both women and men; identify benefits from the program; and integrate gender considerations in the development and implementation of the proposed activity.

D. *Cost Efficiency* – is the degree to which budgeting is clear and reasonable and reflects best use of organizational and SAF resources.

E. *Likelihood of Sustainability* – is the extent to which the proposed activity will most likely result in building and strengthening the capacity of the community and local organizations, and whether the activity itself is sustainable even beyond project life.

## **5.0 AWARD OF SAF**

### **5.1 SAF AWARD DECISION**

After the evaluation and screening of the proposal, the SAF Evaluation Committee shall endorse its recommendation to the COP for approval. The FISH Project management will prepare a specific SAF Agreement for each proponent detailing the terms and conditions of the subcontract or grant, including among other things the goals and objectives of the special project, specific activities, expected measurable results, project duration, approved budget, methods of payment, reporting requirements, and other details necessary for the implementation of the activity. Where appropriate, the summary of recommendations of the committee or a Negotiation Memorandum will be attached to the agreement. Other conditions not articulated in these guidelines may be included in the SAF Agreement provided it is not contrary to USAID and contractor's policies.

Before signing the Agreement, the awardee will be briefed on the provisions of the SAF Agreement to ensure that it is aware and understands all the conditions and responsibilities under the subcontract or grant. The awardee may clarify certain provisions at this point. The signatories (Awardee and FISH Project) of the SAF Agreement shall be obtained before the project is fully executed. The COP has the authority to sign the SAF Agreement for and in behalf of the TTEMI/FISH Project.

The DCOP/Admin will inform the proponent of the decision on the proposal whether approved or denied or returned due to some deficiencies or clarification.

## **5.2 THE SAF AGREEMENT**

The SAF Agreement shall contain specific terms and conditions of the subcontract or grant and shall include the following documentation:

- Applicant's proposal with budget
- Completed Screening Checklist
- Evaluation Report by the Evaluation Committee (Negotiation Memorandum)
- Branding as per project guidelines

## **5.3 TERMS AND CONDITIONS OF THE SAF AGREEMENT**

The specific terms and conditions that will control the special activity awarded shall be set forth in the SAF Agreement. The SAF Agreement will provide for the modality of the award whether subcontract, grant, or a combination of both. It will also provide a disbursement schedule of the funds based on the payment scheme presented in the proposal and as approved by the FISH Project management. All subcontracts under the SAF shall be on a fixed-price subcontract agreement for the services described in each scope of work while all grants under the SAF shall use the fixed obligation grant format.

The SAF Agreement will govern the resolution of any ambiguities, questions, or disputes that may arise in the course of project implementation. Depending on the nature of the project, the FISH Project may also incorporate into the SAF Agreement, conditions of sustainability.

## **5.4 PERIOD OF SAF AGREEMENT**

The SAF Agreement will specify the effective date and estimated completion date of the project or activity, which should not exceed 1 year from the date of inception. It may include a no-cost extension, subject to the approval of the FISH Project and provided that the final completion date of the activity does not extend beyond 6 months prior to the completion date of the prime contract between USAID and TTEMI.

No SAF application will be considered for retroactive funding. Expenditures incurred before or after the period of performance stated in the agreement, or after the estimated completion date, shall not be reimbursed.

## **5.5 IMPLEMENTATION RESPONSIBILITIES**

Upon the signing of the SAF Agreement, the subcontractor or grantee shall begin implementation of its special activity or project according to the programmatic timeframe stated in the agreement. Consistent with the terms and conditions set forth in the SAF Agreement, the parties agree to:

#### Subcontractor's/Grantee's Implementation Responsibilities:

- Comply with all policies, procedures, and stipulations contained in the SAF Agreement.
- Designate a Project Manager who shall represent the awardee on issues related to project follow-up and evaluation and who shall be responsible for the preparation and submission of project documents and reports to the FISH Project.
- Allow FISH Project staff or USAID to visit project sites and to carry out technical or other forms of inspections.
- Request prior, written approval for any project changes to the FISH Project COP.
- Give full cooperation to FISH Project and USAID in their oversight of the project. The subcontractor/grantee shall not contact USAID directly.
- Comply with USAID branding guidelines.

#### FISH Project Implementation Responsibilities:

- Support the subcontractor or grantee with periodic disbursements of funds against the performance benchmarks agreed to in the SAF Agreement.
- Monitor subcontractor or grantee's performance with respect to implementation through a series of reports as provided for in the SAF Agreement.
- Report to USAID through periodic progress reports on the overall status of the SAF Program with respect to funds disbursed, subcontractor's/grantee's performance, and other matters.
- Maintain a monitoring and evaluation system to track overall SAF Program activity and performance.

## **5.6 MONITORING AND REPORTING**

The implementation of the activity shall be the responsibility of the subcontractor/grantee in coordination with the FISH Site Manager. The subcontractor/grantee shall carry out the implementation of the day-to-day activities of the project and ensure that the undertaking is completed according to the agreed duration of the activity as stipulated in the SAF Agreement.

Books, records, documents, and other evidence relating to the SAF-supported activity of the subcontractor/grantee shall be maintained and a narration of success stories shall be recorded with photos and direct quotes from beneficiaries. Accounting records that are supported by documentation will, at a minimum, be adequate to show all costs incurred

under the SAF, receipt and use of goods and services acquired under the SAF, costs of project supplied from other sources, and the overall progress of the activity. Progress reports shall be submitted to the COP. The frequency of submission of progress reports and other monitoring requirements shall be determined during the proposal evaluation and selection process. Generally, progress reports will cover a 6-month period. Upon completion, but not later than 30 days thereafter, the awardee shall submit a Terminal Report including financial statement.

The FISH Project Site Manager concerned or the designated FISH Project staff will be responsible for monitoring the project supported under the SAF.

## **6.0 ADMINISTRATIVE AND FINANCIAL MANAGEMENT**

### **6.1 ELEMENTS OF ADMINISTRATIVE MANAGEMENT SYSTEM**

For the SAF Program to be successful, the subcontractor/grantee must fully understand and respect:

- The essential relationship between the SAF objectives and the FISH Project
- The Terms and Conditions of the SAF Agreement
- The limitation of available funding and the need to use the funds responsibly
- The importance of formulating and adhering to a cohesive and balanced implementation plan
- The requirement to obtain prior written approval of the FISH Project for any revision to the approved implementation plan and budget
- How the SAF activity will be evaluated in terms of effectiveness (namely, implementation, outputs and achievement of objectives); and the positive and negative implications arising from this evaluation
- How the SAF activity will be evaluated in terms of financial responsibility (namely, transparency and accountability); and the positive and negative implications arising from this evaluation

### **6.2 ACCOUNTING SYSTEMS AND CONTROL**

Each subcontractor/grantee shall establish appropriate accounting and financial control systems for the funds released under the SAF. For this purpose, a simple journal entry that meets the generally accepted accounting practices and standard shall be maintained for easy monitoring and reporting system.

### **6.3 DISBURSEMENT OF FUNDS**

The SAF will be disbursed in local currency, namely, Philippine Pesos (PhP), based on a disbursement schedule presented in the approved SAF proposal and agreed to by the FISH

Project. Fund disbursement will be coursed from the FISH Project Office to the subcontractor or grantee as arranged with the latter.

#### **6.4 PURCHASE OF NON-EXPENDABLE EQUIPMENT AND PROFESSIONAL SERVICES**

For this purpose, non-expendable equipment are those item which is complete in itself, does not lose its identity or become a component part of another article when put into use, is durable with an expected service life of 2 years or more, and which has a unit cost of more than \$1,000. The following rules shall apply to purchases of non-expendable equipment and professional services using SAF funds from the FISH Project:

- a. Non-expendable items previously identified and budgeted in the approved SAF proposal do not require FISH Project approval prior to purchase.
- b. Professional services previously identified and budgeted in the approved SAF proposal do not require FISH Project prior approval.
- c. The purchase of non-expendable items, professional services, not identified and budgeted in the SAF Agreement requires FISH Project written approval prior to purchase.
- d. The awardee shall purchase insurance for all non-expendable items purchased with SAF funds. The cost of such insurance is an allowable cost under the SAF.

#### **6.5 TITLE TO AND USE OF PROPERTY (Applicable to Grants only)**

The following rules shall apply to all non-expendable items as defined above, purchased with grant funds under the SAF:

- a. Title to all property or equipment purchased under the SAF grant award shall vest in the grantee.
- b. The grantee shall use and maintain the property exclusively for the purpose of the award and may not be used for other purposes.
- c. The grantee shall not sell, lease, or encumber such property purchased from funds under the SAF.

### **7.0 GENERAL PROVISIONS**

#### **7.1 AMENDMENTS AND EXTENSION**

The FISH Project management shall have the authority to effect amendment to the awarded SAF provided that the changes: (a) are administrative in nature, (b) do not alter the obligated amount or purposes of the award and (c) are satisfactory to the subcontractor/grant.

## **7.2 TERMINATION AND SUSPENSION**

FISH Project management may exercise the right to terminate a SAF Agreement, in whole and in part, or suspend payments, should the subcontractor/grantee not meet their responsibilities as set forth in the SAF Agreement or utilize SAF for activities which are not contemplated within the subcontract/grant agreement and such other grounds as may be determined by the FISH Project management in its sound discretion. For grants, the USAID through the FISH Project can terminate the grant activities unilaterally.

## **7.3 SAF CLOSEOUT**

Closeout of project transactions shall be done accordingly once the Project Terminal Report satisfies the requirements agreed upon with the grantee in discussion with the FISH Project management. However, project monitoring may still be pursued by the FISH Project after the activity has been completed. Records relating to the SAF including the proceedings of the evaluation and selection process, progress and terminal reports, financial records, and other pertinent documents shall be kept and archived by the FISH Project management for future references.

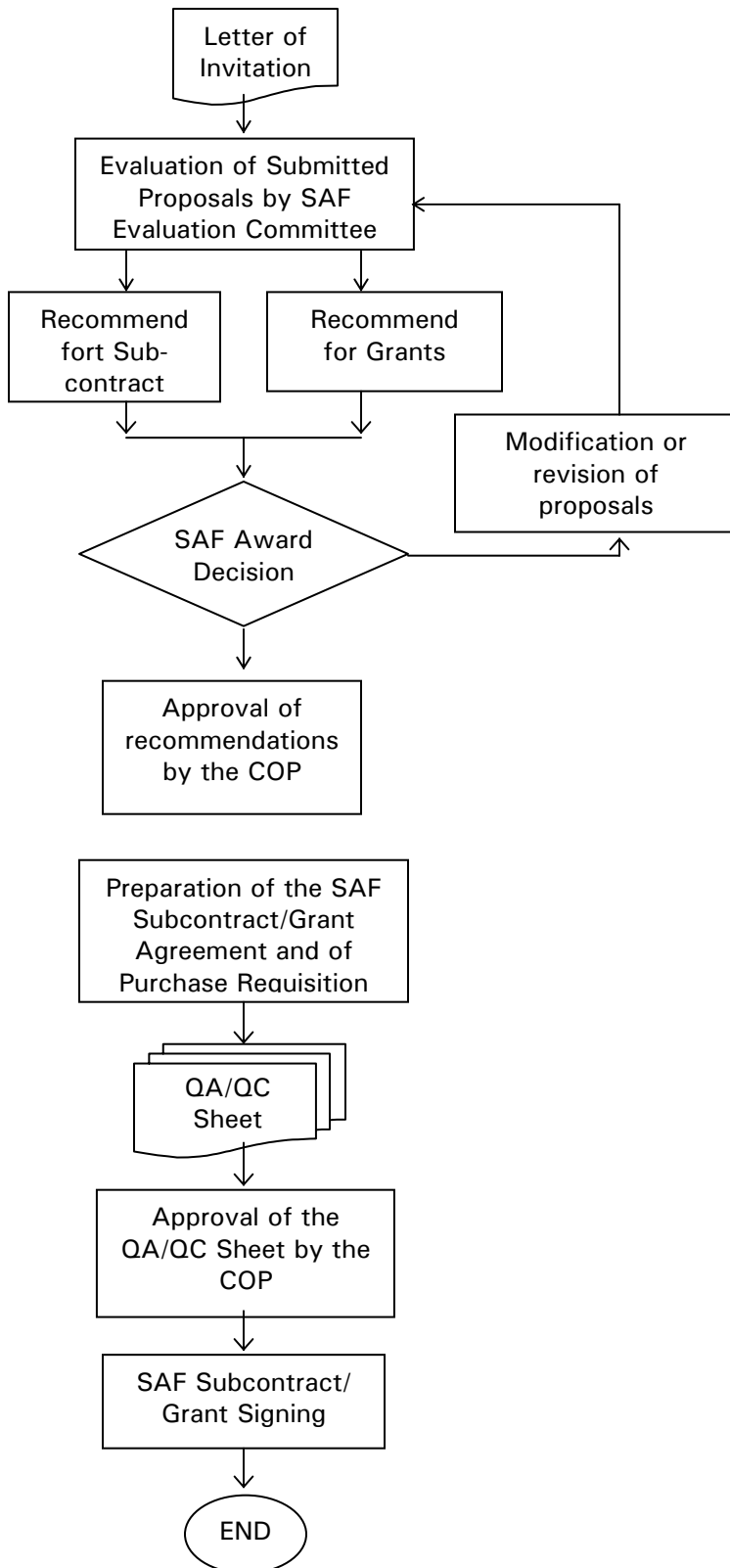
The Project Terminal Report shall include, but not limited to, the following:

- Summary of SAF objectives achievements
- Summary of SAF activities implementation process
- Lessons learned and recommendations
- Compilation of success stories in the implementation with photos
- Funds reconciliation
- Inventory Report

*\*\*\* Nothing follows \*\*\**

## ATTACHMENT 1

### SAF APPLICATION AND APPROVAL PROCEDURES



Site Manager/Project Specialist prepares the Scope of Work based on project ideas identified during the annual programming and sends invitation to targeted SAF recipient to submit proposals to FISH Project.

SAF Evaluation Committee composed of DCOP for Admin and Admin Manager (Cebu) together with appropriate technical specialist/s shall evaluate the proposal based on evaluation criteria set forth in the guidelines. The committee shall recommend appropriate action to the COP whether for a subcontract or a grant.

SAF Evaluation Committee consolidates recommendations and submits to the COP for approval. If decision is approval of the proposal, then, SAF Agreement shall be prepared detailing the terms and conditions including the modalities of the contract. If decision is modification or revision of proposal, then DCOP Admin shall inform the proponent to make the revisions and ask to resubmit the changes to the SAF Evaluation Committee.

Admin Manager prepares the Purchase Requisition and drafts the appropriate SAF Agreement

Once the SAF Agreement is drafted, Admin Manager prepares the QA/QC sheet for the Subcontract/Grant as the case may be. DCOP for Admin incorporates revisions and finalizes the SAF Agreement

COP approves the QA/QC Sheet of the SAF Subcontract/Grant

Once the QA/QC is signed, the contract is forwarded to DCOP Admin who coordinates signatures of Subcontractor and the COP. Original copy is kept by the FISH Office; copy to Cebu and site offices.

## ATTACHMENT 2 SAF BROCHURE



For more information:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### What is SAF?

The FISH Project SAF (Special Activities Fund) is part of the set of fisheries management interventions intended to support strategic undertakings. Funding proposals under the SAF should address any of the following objectives:

1. To leverage support for fisheries resource management.
2. To augment the capacity of institutions for implementing fisheries resource management measures.
3. To develop and introduce livelihood options or appropriate business enterprises to stakeholders involved in fisheries resource management.
4. To provide incentives to stakeholder groups for carrying out sustained fisheries resource management program.



# FiSH

THE FISHERIES IMPROVED  
FOR SUSTAINABLE HARVEST  
PROJECT






The FISH Project is an initiative of the Government of the Philippines, implemented in partnership with the Department of Agriculture-Bureau of Fisheries and Aquatic Resources, national government agencies, local government units, and other stakeholders, funded by the United States Agency for International Development, and managed by

**Tetra Tech EM, Inc.**

MANILA: 15/F CHINA-TELECOM Building, San Miguel Avenue, Ortigas Center, Pasig City  
Telephone No.: (632) 836-0202 to 53 Fax No.: (632) 836-0197  
Email Address: FISH@tetra.com.ph

Cebu: 5/F CFC Towers, 2 Luna St. cor. J. L. Briones Ave., North Reclamation Area, Cebu City  
Telephone No.: (632) 232-1881 to 23 Fax No.: (632) 232-1825  
Email: fishproject@tetra.com.ph Website: tetra.com.ph






### Who are eligible and what are the criteria?

The SAF can only be availed of by private non-profit organizations. To qualify for support, proposals should indicate their relevance to the FISH Project goals and objectives and potential impact or contribution to fisheries resource management. The SAF supports solicited proposals from proponents with the following eligibility requirements:

1. The proponent should be a legitimate private non-profit organization recognized by appropriate government agency.
2. Each proposed activity under SAF should not exceed Php 1 million.
3. The proposed activity should meet at least one of the SAF objectives set forth in these guidelines.
4. The proposed activity should show expected results consistent with the FISH Project results framework.
5. The proposed activity should indicate relevance to capacitating LGUs for fisheries management.
6. The proposed activity should be implemented within the FISH Project target areas.
7. The completion of the proposed activity should not exceed 12 months or beyond the estimated completion date of the FISH project whichever comes first.

### What are eligible activities?

The categories of activities eligible for funding under the SAF may include:

1. **Support to fisheries management program.** This may include provision for alternative sources of livelihood for communities affected with an effort restriction program such as closed season or area, gear restrictions, or limiting entry.
2. **Support to habitat management program.** Activities under this category may include support to the implementation of MPAs including the establishment of guardhouses and other related facilities.
3. **Support to coastal law enforcement.** The type of support under this category may include provision for law enforcement-related infrastructure and necessary gear and paraphernalia such as small boats, GPS, radios, and others.
4. **Support to institutional development.** This assistance includes development and implementation of systems and procedures for CRM leading to ecosystem-based fisheries management and related provisions for institutional strengthening such as training, cross-visits to successful field sites.
5. **Other forms of fisheries management support.** This includes other activities to be determined and approved by the SAF Evaluation Committee.

### What are the documentation requirements?

SAF proposals should generally follow the format with the following major elements:

1. Cover Letter
2. Proposal Document
  - a. Cover Page: Title, proponent name, address, contacts, period of performance, and amount requested
  - b. Executive summary (1 page) that includes objectives, basic strategies, and results
  - c. background and rationale for project in relation to FISH Project objectives
  - d. Statement of objectives and means of verification or indicators
  - e. Project Strategies and Activities
  - f. Expected Results (quantifiable)
  - g. Implementation Arrangements
  - h. Sustainability Mechanisms
  - i. Detailed Budget (showing the cost sharing arrangements and counterpart)
  - j. Monitoring and Reporting Plan
  - k. Schedule of activities
  - l. Attachments (maps, list of PO members, other relevant documents, endorsement of LGU if appropriate)
3. Other documents to be submitted together with the proposal
  - a. Copy of any government accreditation or registration documents (i.e. SEC, CDA, DOLE, LGU)
  - b. Copy of applicant organization's charter or articles of incorporation and by-laws
  - c. Copy of the latest audited financial statement
  - d. Copy of the BIR Vat Registration/Exemption



## **ATTACHMENT 3 SAF MANUAL FOR GRANTS**

### **WHO ARE ELIGIBLE**

The SAF Grant may be availed of by any duly registered private non-profit organizations. To qualify for support, proposals should indicate their relevance to the FISH Project goals and objectives and potential impact or contribution to coastal resource management (CRM) leading to sustainable fisheries and their management in the focal area.

### **WHO ARE NOT ELIGIBLE**

The FISH Project may not award the SAF to: (a) any U.S. entity which is a “private voluntary organization” (PVO) but has not registered as such with USAID; (b) any entity whose name appears on the “List of Parties Excluded from Federal Procurement and Non-Procurement Programs”; (c) any “public international organization”; (d) any government agency; (e) any entity affiliated with the contractor or any of its directors, officers, or employees; or (f) any entity whose name appears on the U.S. Department of the Treasury’s Specially Designated Nationals List. The FISH Project shall likewise not make any award in excess of \$20,000 to a U.S. Non-Government Organization (NGO).

### **WHAT ARE ELIGIBLE ACTIVITIES**

The categories of activities eligible for funding under the SAF Grant may include, but not limited to, any of the following illustrative activities listed below. Variations are expected to emerge in actual practice in keeping with the needs and opportunities for flexible and innovative approaches in FISH Project focal areas.

- a. Support to fisheries management program. This may include provision for alternative sources of livelihood for communities affected with an effort restriction program such as closed season or area, gear restrictions, or limiting entry. Candidate activities for support could include development and implementation of environment-friendly enterprises, alternative investments, eco-tourism, and other financially viable sustainable activities that will reduce the dependence on fishery resources for livelihood.
- b. Support to habitat management program. Activities under this category may include support to managers and enforcers directly involved in the planning and implementation of marine protected areas (MPA) including the establishment of guardhouses and other related facilities that support MPA functions and effectiveness.

- c. Support to coastal law enforcement. The type of support under this category may include provision for law enforcement-related infrastructure and necessary gear and paraphernalia such as small boats, GPS, radios, and others.
- d. Support to institutional development. This assistance includes development and implementation of systems and procedures for CRM leading to ecosystem-based fisheries management and related provisions for institutional strengthening such as training, cross-visits to successful field sites, promoting learning by doing through selected field activities, leadership training, or other such activities.
- e. Other forms of fisheries management support. This includes other activities to be determined and approved by the SAF Evaluation Committee.

## **ELIGIBILITY CRITERIA**

The SAF Grant targets innovative proposals that pursue coastal and fisheries management from private non-profit organizations. The organizations that may be eligible for support under the Grant should work in partnership with local government units (LGU) and national government agencies (NGA) as appropriate to mainstream coastal and fisheries management strategies in the regular governmental structures as appropriate and should espouse principles of transparency and participatory development.

The SAF Grant supports solicited proposals only. The following requirements should be met for grant proposals to qualify for eligibility:

- a. The proponent should be a legitimate private non-profit organization recognized by an appropriate government agency.
- b. Each proposed activity should not exceed PhP1 million.
- c. The proponent should have the capacity for cost-sharing of expenses under the Grant, in kind or in cash.
- d. The proposed activity should meet at least one of the objectives set forth in the main SAF Guidelines.
- e. The proposed activity should show expected results consistent with the FISH Project's results framework.
- f. The proposed activity should indicate relevance to capacitating LGUs for fisheries management.
- g. The proposed activity should be implemented within FISH Project target areas.
- h. The completion of the proposed activity should not exceed 12 months or beyond the estimated completion date of the FISH Project whichever comes first.

## **GRANT APPLICATION AND APPROVAL PROCEDURES**

### **GRANT PROPOSALS**

Since potential partners with appropriate competencies and capabilities for fisheries management are very limited, and the universe of development partners in the target areas is too small, implementing a competitive grant program runs the risk of creating ill will in local communities and may ultimately adversely affect the implementation of other project components.

Given these circumstances, the project shall limit the solicitation of applications among invited and pre-selected proponents through a letter of invitation (See Attachment 1). Under the SAF, Grant applications shall be characterized to be targeted and identified in consultation with the key project staff and shall be based on specific area requirements. The potential projects and activities shall be determined during the project's regular meeting and will form part of the annual work plan and budget.

### **DOCUMENTATION REQUIREMENTS**

Grant Applications should generally follow the format outlined below. Variations may be allowed in accordance with the technical specifications and type of activities proposed. Each proposal should contain the following major elements:

1. Cover Letter
2. Proposal Document
  - a. Cover page: Title, proponent name, address, contacts, period of performance, and amount requested
  - b. Executive summary (1 page) that includes objectives, basic strategies, and results
  - c. Background and rationale for project in direct relation to FISH Project objectives
  - d. Statement of objectives and means of verification or indicators
  - e. Project strategies and activities
  - f. Expected results (quantifiable)
  - g. Implementation arrangements
  - h. Sustainability mechanisms
  - i. Detailed budget (showing cost sharing arrangements)
  - j. Monitoring and reporting plan
  - k. Schedule of activities
  - l. Attachments (maps, list of PO members, other relevant documents, endorsement of LGU if appropriate)

The grant application should be submitted together with the following documents:

1. Copy of any government accreditation or registration documents (such as, SEC, CDA, DOLE, LGU)

2. Copy of applicant organization's charter or articles of incorporation and by-laws
3. Copy of the latest audited financial statement
4. Copy of BIR Vat Registration or Exemption

## **COST SHARING**

The applicant applies for the SAF Grant in order to supplement funding obtained externally from other donors (co-funding), or internally from its own resources (cost-sharing). The FISH Project will make every reasonable effort to ensure that the assistance activities funded by the SAF Grant include a cost-share component.

The following guide may be used to determine the acceptability of cost-share:

- The applicant's contribution may be met through cost-sharing, co-funding, or internal funds or a combination of the three. The nature and amount of this contribution must be clearly defined in the SAF Grant application.
- The fair value of voluntary labor and other in-kind contributions will be considered as cost-sharing, and it is recognized that this will be the main contribution that many small, local NGOs and community organizations will be able to provide.
- If an applicant is able and willing to contribute office space, equipment, staff-time, and the like, a reasonable and fair value should be imputed by the applicant to this contribution so that it can be properly recognized.

## **PROPOSAL SUBMISSION, EVALUATION, AND SCREENING PROCEDURE**

Each FISH Project site staff shall identify two or more projects or activities per year for possible funding under the SAF Grant. These identified projects or activities shall be included in the annual programming and planning of the FISH Project. A Terms of Reference (TOR) will be drafted for each of the project or activity identified and sent to the targeted proponent with a Request for Application (RFA) by way of a letter of invitation. The targeted proponent shall prepare a proposal based on the TOR and submit its grant application. Upon submission of the application, the SAF Evaluation Committee shall start screening the proposals against established criteria provided for in the SAF Guidelines and submit its recommendations to the COP for approval.

## **AWARD OF SAF**

### **SAF GRANT AWARD DECISION**

After the evaluation and screening of the application, the SAF Evaluation Committee shall endorse its recommendation to the COP for approval. The FISH Project Management will prepare a specific Fixed-Obligation Grant Agreement for each proponent detailing the terms and conditions of the grant, including among other things the goals and objectives of the

special project, specific activities, expected measurable results, project duration, cost-sharing arrangements, approved budget, methods of payment, reporting requirements, and other details necessary for the implementation of the activity. Where appropriate, the summary of recommendations of the Committee will be attached to the Agreement. Other conditions not articulated in these guidelines may be included in the SAF Grant Agreement provided it is not contrary to USAID and contractor's policies.

Before signing the Agreement, the awardee will be briefed on the provisions of the Fixed-Obligation Grant Agreement to ensure that it is aware and understands all the conditions and responsibilities under the grant. The awardee may clarify certain provisions at this point. The signatories (Grantee and FISH Project) of the Grant Agreement shall be obtained before the project is fully executed. The COP has the authority to sign the Fixed-Obligation Grant Agreement for and in behalf of the TTEMI/FISH Project.

The DCOP/Admin will inform the proponent of the decision on the proposal whether approved or denied or returned due to some deficiencies or clarification.

## **THE SAF GRANT AGREEMENT**

The Fixed-Obligation Grant Agreement shall contain specific terms and conditions of the grant and shall include the following documentation:

- Applicant's proposal with budget
- Completed Screening Checklist
- Evaluation Report by the Evaluation Committee (Negotiation Memorandum)
- Branding as per project guidelines

## **TERMS AND CONDITIONS OF THE SAF GRANT AGREEMENT**

The specific terms and conditions that will control the special activity awarded shall be set forth in the Grant Agreement. The Grant Agreement will provide for the modality of the award whether a grant for goods and services, or a combination of both. It will also provide a schedule of release of the grant funds based on the project timetable and as approved by the FISH Project Management. All grants under the SAF shall use the Fixed-Obligation Grants format.

The SAF Grant Agreement will govern the resolution of any ambiguities, questions, or disputes that may arise in the course of project implementation. Depending on the nature of the project, the FISH Project may also incorporate into the SAF Grant Agreement, conditions of sustainability.

## **PERIOD OF SAF GRANT AGREEMENT**

The SAF Grant Agreement will specify the effective date and estimated completion date of the project or activity, which should not exceed 1 year from the date of inception. It may include a no-cost extension, subject to the approval of the FISH Project and provided that

the final completion date of the activity does not extend beyond 6 months prior to the completion date of the prime contract between USAID and TTEMI.

No SAF Grant application will be considered for retroactive funding. Expenditures incurred before or after the period of performance stated in the agreement, or after the estimated completion date, shall not be reimbursed.

## **MONITORING AND REPORTING**

The implementation of the activity shall be the responsibility of the grantee in coordination with the FISH site manager in accordance with the Implementation Responsibilities stated under paragraph 3.5 of the main SAF Guidelines. The grantee shall carry out the implementation of the day-to-day activities of the project and ensure that the undertaking is completed according to the agreed duration of the activity as stipulated in the SAF Grant Agreement.

Books, records, documents, and other evidence relating to the SAF-supported activity of the grantee shall be maintained and a narration of success stories shall be recorded with photos and direct quotes from beneficiaries. Accounting records that are supported by documentation will, at a minimum, be adequate to show all costs incurred under the SAF, receipt and use of goods and services acquired under the SAF, costs of project supplied from other sources, and the overall progress of the activity.

Progress reports shall be submitted to the COP. The frequency of submission of progress reports and other monitoring requirements shall be determined during the proposal evaluation and selection process. Generally, progress reports will cover a 6-month period. Upon completion, but not later than 30 days thereafter, the grantee shall submit a Terminal Report including financial statement.

The FISH Project Site Manager concerned or the designated FISH Project staff will be responsible for monitoring the project supported under the SAF Grant.

## **ADMINISTRATIVE AND FINANCIAL MANAGEMENT**

### **ADMINISTRATIVE MANAGEMENT**

For the SAF Grant to be successful, the grantee must fully understand and respect the elements of Administrative Management System prescribed in the main SAF Guidelines.

### **ACCOUNTING SYSTEMS AND CONTROL**

Each grantee shall establish appropriate accounting and financial control systems for the funds released under the SAF Grant. For this purpose, a simple journal entry that meets

the generally accepted accounting practices and standard shall be maintained for easy monitoring and reporting system.

## **DISBURSEMENT OF GRANT FUNDS**

The Grant funds will be disbursed in local currency, namely, Philippine Pesos (PhP), based on successful performance and achievement of the proposed milestones/activities as presented in the Grant proposal and approved by the FISH Project. Fund disbursement will be coursed from the FISH Project Office to the grantee as arranged with the latter.

## **PURCHASE OF NON-EXPENDABLE EQUIPMENT AND PROFESSIONAL SERVICES**

For this purpose, non-expendable equipment are those item which is complete in itself, does not lose its identity or become a component part of another article when put into use, is durable with an expected service life of 2 years or more, and which has a unit cost of more than \$1,000. The following rules shall apply to purchases of non-expendable equipment and professional services using Grant funds from the FISH Project:

- a. Non-expendable items previously identified and budgeted in the approved Grant proposal do not require FISH Project approval prior to purchase.
- b. The purchase of non-expendable items or professional services, not identified and budgeted in the Grant Agreement requires FISH Project written approval prior to purchase.
- c. The grantee shall purchase insurance for all non-expendable items purchased with grant funds. The cost of such insurance is an allowable cost under the grant.

## **TITLE TO AND USE OF PROPERTY**

The following rules shall apply to all non-expendable items as defined above, purchased with grant funds under the SAF:

- a. Title to all property or equipment purchased under the SAF award shall vest in the grantee.
- b. The grantee shall use and maintain the property exclusively for the purpose of the grant and may not be used for other purposes.
- c. The grantee shall not sell, lease, or encumber such property purchased from funds under the SAF.

## **GENERAL PROVISIONS**

### **AMENDMENTS AND EXTENSION**

The FISH Project Management shall have the authority to effect amendment to the awarded SAF Grant provided that the changes: (a) are administrative in nature, (b) do not alter the obligated amount or purposes of the award, and (c) are satisfactory to the grantee.

### **TERMINATION AND SUSPENSION**

FISH Project Management may exercise the right to terminate a Grant Agreement, in whole and in part, or suspend payments, should the Grantee not meet their responsibilities as set forth in the Grant Agreement or utilize the grant funds for activities which are not contemplated within the Grant Agreement and such other grounds as may be determined by the FISH Project Management in its sound discretion. In extraordinary circumstances, the USAID through the FISH Project may terminate the grant activities unilaterally at any time subject to thirty days prior notice.

*\*\*\* Nothing follows \*\*\**



**ATTACHMENT 3.A**

**INVITATION LETTER FOR SAF GRANTS PROPOSAL**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear \_\_\_\_\_:

Greetings from the FISH Project!

The Fisheries Improved for Sustainable Harvest (FISH) Project is now accepting applications for proposal under its Special Activities Fund (SAF). Attached is the program brochure for your reference.

In recognition of the partnership that we established so far in the implementation of the Project, we gladly invite you to submit a proposal based on the attached Terms of Reference (TOR) and submit the same on or before \_\_\_\_\_ to the Deputy Chief of Party for Administration on the address specified below.

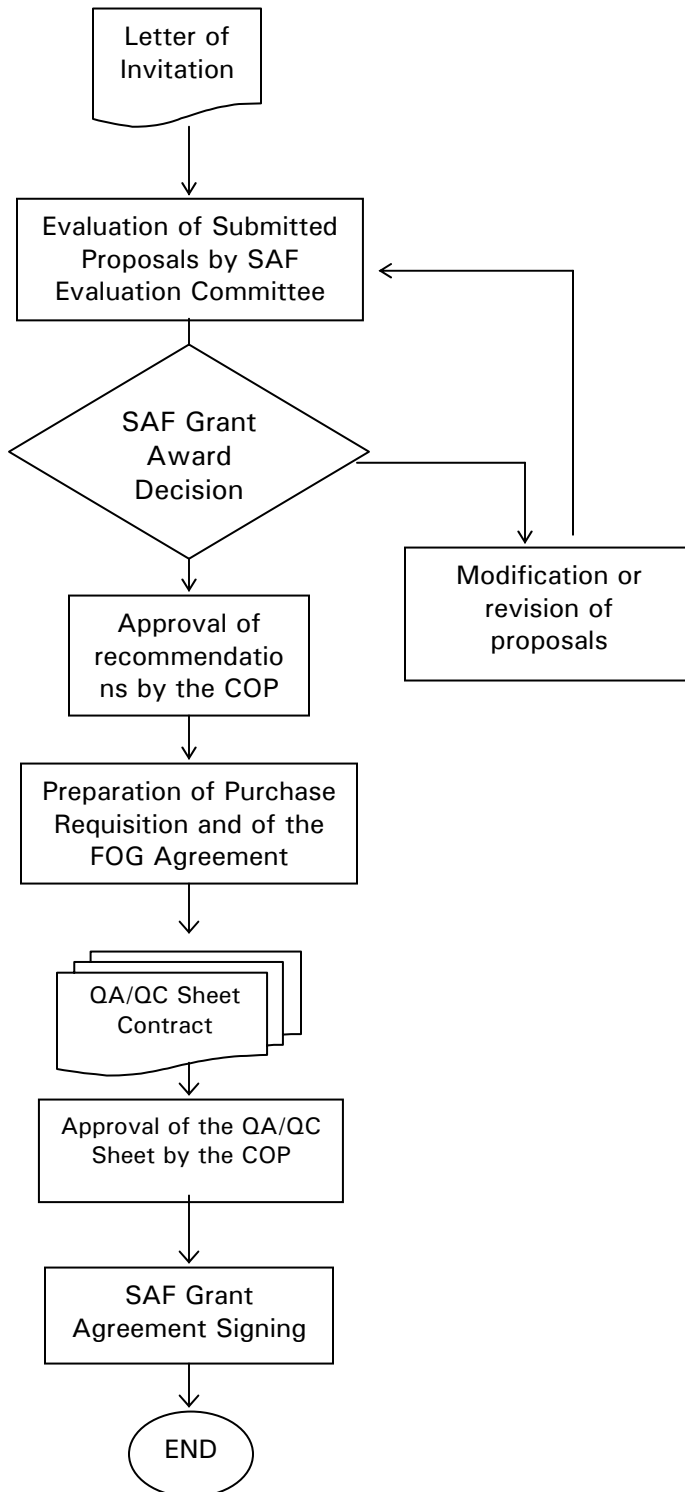
We look forward to continuing our partnership in improving the management of our fisheries resources.

Truly yours,

**MARCIANO F. CARREON III**  
Chief of Party

## ATTACHMENT 3.B

### PROCESS FLOWCHART FOR GRANTS



Site Manager/Project Specialist prepares the Scope of Work based on project ideas identified during the annual programming and sends invitation to targeted SAF recipient to submit proposals to FISH Project.

SAF Evaluation Committee composed of DCOP for Admin and Admin Manager together with appropriate technical specialist/s shall evaluate the proposal based on evaluation criteria set forth in the guidelines. The committee shall recommend to the COP for the award of the grant

SAF Evaluation Committee consolidates recommendations and submits to the COP for approval. If decision is approval of the proposal, then, the Fixed-Obligation Grant Agreement shall then be drafted detailing the terms and conditions. If decision is modification or revision of proposal, then DCOP Admin shall inform the proponent to make the revisions and ask to resubmit the changes to the SAF Evaluation Committee.

COP approves the recommendation of the Evaluation Committee and awards the grant. Admin Manager prepares PR and drafts the Fixed Obligation Grant Agreement.

Once the FOG Agreement is drafted, Admin Manager prepares the QA/QC sheet. DCOP for Admin incorporates revisions and finalizes the FOG Agreement

COP approves the QA/QC Sheet of the FOG Agreement

Once the QA/QC is signed, the FOG Agreement is forwarded to DCOP Admin who coordinates signatures of Grantee and the COP. Original copy is kept by the FISH Office-Manila; copy to Cebu and site offices.

## ATTACHMENT 3.C

### FIXED-OBLIGATION GRANT AGREEMENT

#### FIXED OBLIGATION GRANT FOR (Name of NGO Recipient)

Date:

To: Recipient name and address

Reference: Grant Award Number \_\_\_\_\_ (Recipient name)

Dear (Name of Recipient):

In furtherance of the Fisheries Improved for Sustainable Harvest (FISH)

Project's Special Activities Fund (SAF) Program, TETRA TECH EMI- FISH PROJECT (hereinafter referred to as "Grantor") hereby awards to (Recipient Name) (hereinafter referred to as "Recipient") the fixed amount of (Amount) Pesos. This award is a contribution to Recipient's (advocacy/social mobilization – pick one) activity described in Recipient's proposal, which is attached to and incorporated in this award as Attachment A (hereinafter "Grant Proposal").

The effective date of this Award is \_\_\_\_\_. Unless otherwise agreed to by the Grantor in writing, the Recipient will complete all activities by the end date of \_\_\_\_\_.

This Award is made to the Recipient based on the following conditions:

#### Use of funds

Award funds shall be used only to complete the approved grant activities described in the attached Application. Any funds used for any purpose other than those described in the Application shall be reimbursed to the Grantor.

#### Payment

This award is a fixed obligation grant (FOG) and payment shall be based on successful performance and the achievement of the proposed milestones/activities. At the time of confirmation by the Grantor of the completion of each milestone, the fixed amount identified below will be transferred to the Recipient.

Milestone/Activity 1	FIXED AMOUNT	Estimated Completion Date
Milestone/Activity 2	FIXED AMOUNT	Estimated Completion Date
Milestone/Activity 3	FIXED AMOUNT	Estimated Completion Date

The request for payment of the fixed amount for each milestone/activity must be documented by the Recipient through submission of a Request for Payment certifying completion of the milestone/activity. The Grantor reserves the right to make a site visit(s) to confirm the completion of any activity. Payment will be authorized after confirmation. If confirmation cannot be made, no payment will be authorized until completion can be confirmed.

#### Site Visits

The Grantor and USAID shall have the right to inspect the activities performed by the Recipient to ensure that performance is in accordance with the Application. Should the Grantor determine that performance is not in accordance with the Application, the Recipient shall be notified and given 10 business days to correct any deficiencies. The Grantor shall conduct such inspections in a reasonable manner.

#### Termination

In addition to USAID's right to terminate this Award, as described in the attached SAF Grants Manual, this Award may be cancelled by the Grantor upon prior written notice to the Recipient if the Recipient, for any reason whatsoever, fails, refuses or is unable to perform the activities in accordance with this Award or the attached Application. In such cases, the Grantor shall give written notice to the Recipient specifying the reasons and the Recipient shall have 5 business days after receipt of notice to correct said deficiencies.

#### Standard Provisions

In addition to the conditions provided in this Award letter, Recipient agrees to administer the Award according to the Standard Provisions as stated in the attached Grants Manual and incorporated herein as Attachment B. The Standard Provisions are as follows:

1. Documentation Requirements
2. Cost-Sharing
3. Monitoring and Reporting
4. Administrative Management
5. Accounting Systems and Control
6. Disbursement of Funds
7. Purchase of Non-Expendable Equipment
8. Amendment and Extension
9. Termination and Suspension

#### Final Report

In addition to providing evidence of or supporting narrative for each request for payment of the completion of milestones or activities, the Recipient agrees to provide a Final Report detailing performance under this Award. The Final Report shall be no longer than 2 pages in length and include a certification that all monies received under this Award were used to support the approved activities.

Please sign the original and two copies of this Award letter to acknowledge your receipt of this Award and return the original and one copy to the Grantor.

Awarded by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Accepted by:  
(Recipient's Authorized Representative)

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attachments:

- A. Recipient's Grant Proposal
- B. SAF Grants Manual
- C. Executive Order on Terrorist Financing (E.O. 13224) Certification

## **ATTACHMENT 4**

### **SAF MANUAL FOR SUBCONTRACTS**

#### **WHO ARE ELIGIBLE**

The SAF Subcontract may be availed of by duly registered private non-profit organizations. To qualify for support, proposals should indicate their relevance to the FISH Project goals and objectives and potential impact or contribution to coastal resource management (CRM) leading to sustainable fisheries and their management in the focal area.

#### **WHO ARE NOT ELIGIBLE**

The FISH Project may not award the SAF Subcontract to: (a) any U.S. entity which is a "private voluntary organization" (PVO) but has not registered as such with USAID; (b) any entity whose name appears on the "List of Parties Excluded from Federal Procurement and Non-Procurement Programs"; (c) any "public international organization"; (d) any government agency; (e) any entity affiliated with the contractor or any of its directors, officers, or employees; or (f) any entity whose name appears on the U.S. Department of the Treasury's Specially Designated Nationals List. The FISH Project shall likewise not make any award in excess of \$20,000 to a U.S. Non-Government Organization (NGO).

#### **WHAT ARE ELIGIBLE ACTIVITIES**

The categories of activities eligible for funding under the SAF Subcontract may include, but not limited to, any of the following illustrative activities listed below. Variations are expected to emerge in actual practice in keeping with the needs and opportunities for flexible and innovative approaches in FISH Project focal areas.

- a. Support to fisheries management program. This may include provision for alternative sources of livelihood for communities affected with an effort restriction program such as closed season or area, gear restrictions, or limiting entry. Candidate activities for support could include development and implementation of environment-friendly enterprises, alternative investments, eco-tourism, and other financially viable sustainable activities that will reduce the dependence on fishery resources for livelihood.
- b. Support to habitat management program. Activities under this category may include support to managers and enforcers directly involved in the planning and implementation of marine protected areas (MPA) including the establishment of guardhouses and other related facilities that support MPA functions and effectiveness.

- c. Support to coastal law enforcement. The type of support under this category may include provision for law enforcement-related infrastructure and necessary gear and paraphernalia such as small boats, GPS, radios, and others.
- d. Support to institutional development. This assistance includes development and implementation of systems and procedures for CRM leading to ecosystem-based fisheries management and related provisions for institutional strengthening such as training, cross-visits to successful field sites, promoting learning by doing through selected field activities, leadership training, or other such activities.
- e. Other forms of fisheries management support. This includes other activities to be determined and approved by the SAF Evaluation Committee.

## **ELIGIBILITY CRITERIA**

The SAF Subcontract targets innovative proposals that pursue coastal and fisheries management from duly registered private non-profit organizations. The organizations that may be eligible for support under this type of SAF should work in partnership with local government units (LGU) and national government agencies (NGA) as appropriate to mainstream coastal and fisheries management strategies in the regular governmental structures as appropriate and should espouse principles of transparency and participatory development.

The SAF Subcontract type supports solicited proposals only. The following requirements should be met for proposals to qualify for eligibility:

- a. The proponent should be a legitimate private non-profit organization recognized by an appropriate government agency.
- b. Each proposed activity under the subcontract should not exceed PhP1 million.
- c. The proposed activity should meet at least one of the SAF objectives.
- d. The proposed activity should show expected results consistent with the FISH Project's results framework.
- e. The proposed activity should indicate relevance to capacitating LGUs for fisheries management.
- f. The proposed activity should be implemented within FISH Project target areas.
- g. The completion of the proposed activity should not exceed 12 months or beyond the estimated completion date of the FISH Project whichever comes first.

## **SUBCONTRACT APPLICATION AND APPROVAL PROCEDURES**

### **PROPOSALS**

Since potential partners with appropriate competencies and capabilities for fisheries management are very limited, and the universe of development partners in the target areas is too small, implementing a competitive grant program runs the risk of creating ill will in local communities and may ultimately adversely affect the implementation of other project components.

Given these circumstances, the project shall limit the solicitation of proposals among invited and pre-selected proponents. Under the SAF subcontract type, proposals shall be characterized to be targeted and identified in consultation with the key project staff and shall be based on specific area requirements.

### **DOCUMENTATION REQUIREMENTS**

Proposals should generally follow the format outlined below. Variations may be allowed in accordance with the technical specifications and type of activities proposed. Each proposal should contain the following major elements:

1. Cover Letter
2. Proposal Document
  - a. Cover page: Title, proponent name, address, contacts, period of performance, and amount requested
  - b. Executive summary (1 page) that includes objectives, basic strategies, and results
  - c. Background and rationale for project in direct relation to FISH Project objectives
  - d. Statement of objectives and means of verification or indicators
  - e. Project strategies and activities
  - f. Expected results (quantifiable)
  - g. Implementation arrangements
  - h. Sustainability mechanisms
  - i. Detailed budget
  - j. Monitoring and reporting plan
  - k. Schedule of activities
  - l. Attachments (maps, list of PO members, other relevant documents, endorsement of LGU if appropriate)

The proposal should be submitted together with the following documents:

1. Copy of any government accreditation or registration documents (such as, SEC, CDA, DOLE, LGU)
2. Copy of applicant organization's charter or articles of incorporation and by-laws
3. Copy of the latest audited financial statement
4. Copy of BIR Vat Registration or Exemption



## **PROPOSAL SUBMISSION, EVALUATION, AND SCREENING PROCEDURE**

The FISH Project sites shall identify two or more projects or activities per year for a potential subcontract under the SAF. These identified projects or activities shall be included in the annual programming and planning of the FISH Project. A scope of work will be drafted for each of the project or activity identified. The targeted proponent shall prepare a proposal based on the scope of work and submit the proposal. Upon submission of the proposals, the SAF Evaluation Committee shall start screening the proposals against established criteria and submit its recommendations to the COP for approval.

## **AWARD OF SAF SUBCONTRACT**

### **SUBCONTRACT AWARD DECISION**

Evaluation of the proposal shall be made in accordance with the eligibility criteria set out in the SAF Guidelines. After the evaluation and screening of the proposal, the SAF Evaluation Committee shall endorse its recommendation to the COP for approval. A Subcontract Agreement for each proponent shall then be prepared detailing the terms and conditions of the subcontract, including expected measurable results, project duration, approved budget, methods of payment, reporting requirements, and other details necessary for the implementation of the activity. Where appropriate, the summary of recommendations of the committee or a negotiation memorandum will be attached to the agreement. Other conditions not articulated in these guidelines may be included in the SAF Subcontract provided it is not contrary to USAID and contractor's policies.

Before signing the Subcontract, the awardee will be briefed on the provisions of the SAF Agreement to ensure that it is aware and understands all the conditions and responsibilities under the subcontract. The awardee may clarify certain provisions at this point. The signatories (Awardee and FISH Project) of the SAF Agreement shall be obtained before the project is fully executed. The COP may be authorized to sign the Subcontract for and in behalf of the TTEMI/FISH Project.

The DCOP/Admin will inform the proponent of the decision on the proposal whether approved or denied or returned due to some deficiencies or clarification.

### **THE FIXED-PRICE SUBCONTRACT**

The Fixed-Price Subcontract Agreement shall contain specific terms and conditions of the subcontract and shall include the following documentation:

- Applicant's proposal with budget
- Completed Screening Checklist
- Evaluation Report by the Evaluation Committee (Negotiation Memorandum)
- Branding as per project guidelines

## **TERMS AND CONDITIONS OF THE SAF SUBCONTRACT**

The specific terms and conditions that will control the special activity awarded shall be set forth in the SAF Subcontract. It will also provide a disbursement schedule of the funds based on the payment scheme presented in the proposal and as approved by the FISH Project management. All subcontracts under the SAF shall be on a fixed-price subcontract agreement for the services described in each scope of work, unless otherwise recommended by the Evaluation Committee.

The Subcontract will govern the resolution of any ambiguities, questions, or disputes that may arise in the course of project implementation. Depending on the nature of the project, the FISH Project may also incorporate into the Subcontract, conditions of sustainability.

## **PERIOD OF SAF SUBCONTRACT**

The Subcontract will specify the effective date and estimated completion date of the project or activity, which should not exceed 1 year from the date of inception. It may include a no-cost extension, subject to the approval of the FISH Project and provided that the final completion date of the activity does not extend beyond 6 months prior to the completion date of the prime contract between USAID and TTEMI.

No SAF application will be considered for retroactive funding. Expenditures incurred before or after the period of performance stated in the agreement, or after the estimated completion date, shall not be reimbursed.

## **IMPLEMENTATION RESPONSIBILITIES**

Upon the signing of the SAF Subcontract, the subcontractor shall begin implementation of its special activity or project according to the programmatic timeframe stated in the agreement. Consistent with the terms and conditions set forth in the subcontract, the parties agree to:

Subcontractor's Implementation Responsibilities:

- Comply with all policies, procedures, and stipulations contained in the Subcontract.
- Designate a Project Manager who shall represent the proponent on issues related to project follow-up and evaluation and who shall be responsible for the preparation and submission of project documents and reports to the FISH Project.
- Allow FISH Project staff or USAID to visit project sites and to carry out technical or other forms of inspections.
- Request prior, written approval for any project changes to the FISH Project COP.
- Give full cooperation to FISH Project and USAID in their oversight of the project. The subcontractor shall not contact USAID directly.
- Comply with USAID branding guidelines.

#### FISH Project Implementation Responsibilities:

- Support the subcontractor with periodic disbursements of funds against the performance benchmarks agreed to in the Subcontract.
- Monitor subcontractor's performance with respect to implementation through a series of reports as provided for in the Subcontract.
- Report to USAID through periodic progress reports on the overall status of the SAF Program with respect to funds disbursed, subcontractor's performance, and other matters.
- Maintain a monitoring and evaluation system to track overall SAF Program activity and performance.

### **MONITORING AND REPORTING**

The implementation of the activity shall be the responsibility of the subcontractor in coordination with the site manager. The subcontractor shall carry out the implementation of the day-to-day activities of the project and ensure that the undertaking is completed according to the agreed duration of the activity as stipulated in the SAF Subcontract Agreement.

Books, records, documents, and other evidence relating to the SAF-supported activity of the subcontractor shall be maintained and a narration of success stories shall be recorded with photos and direct quotes from beneficiaries. Accounting records that are supported by documentation will, at a minimum, be adequate to show all costs incurred under the SAF, receipt and use of goods and services acquired under the SAF, costs of project supplied from other sources, and the overall progress of the activity.

Progress reports shall be submitted to the COP. The frequency of submission of progress reports and other monitoring requirements shall be determined during the proposal evaluation and selection process. Generally, progress reports will cover a 6-month period. Upon completion, but not later than 30 days thereafter, the proponent shall submit a Terminal Report including financial statement.

The FISH Project Site Manager concerned or the designated FISH Project staff will be responsible for monitoring the project supported under the SAF.

### **ADMINISTRATIVE AND FINANCIAL MANAGEMENT**

#### **ADMINISTRATIVE MANAGEMENT**

For the SAF Program to be successful, the subcontractor must fully understand and respect the elements of Administrative Management System prescribed in the main SAF Guidelines.

## **ACCOUNTING SYSTEMS AND CONTROL**

The subcontractor shall establish appropriate accounting and financial control systems for the funds released under the SAF. For this purpose, a simple journal entry that meets the generally accepted accounting practices and standard shall be maintained for easy monitoring and reporting system.

## **DISBURSEMENT OF FUNDS**

The SAF will be disbursed in local currency, namely, Philippine Pesos (PhP), based on a disbursement schedule presented in the approved SAF proposal and agreed to by the FISH Project. Fund disbursement will be coursed from the FISH Project Office to the subcontractor as arranged with the latter.

## **PURCHASE OF NON-EXPENDABLE EQUIPMENT AND PROFESSIONAL SERVICES**

For this purpose, non-expendable equipment are those item which is complete in itself, does not lose its identity or become a component part of another article when put into use, is durable with an expected service life of 2 years or more, and which has a unit cost of more than \$1,000. The following rules shall apply to purchases of non-expendable equipment and professional services using SAF funds from the FISH Project:

- a. The Subcontractor under the SAF shall not be allowed to purchase any non-expendable items, unless otherwise authorized in the SAF subcontract.
- b. Professional services previously identified and budgeted in the approved SAF proposal do not require FISH Project prior approval.
- c. If allowed, the subcontractor shall purchase insurance for all non-expendable items allowed to be purchased with SAF funds. The cost of such insurance is an allowable cost under the subcontract.

## **GENERAL PROVISIONS**

### **AMENDMENTS AND EXTENSION**

The FISH Project management shall have the authority to effect amendment to the awarded SAF subcontract provided that the changes: (a) are administrative in nature, (b) do not alter the obligated amount or purposes of the award, and (c) are satisfactory to the subcontractor.

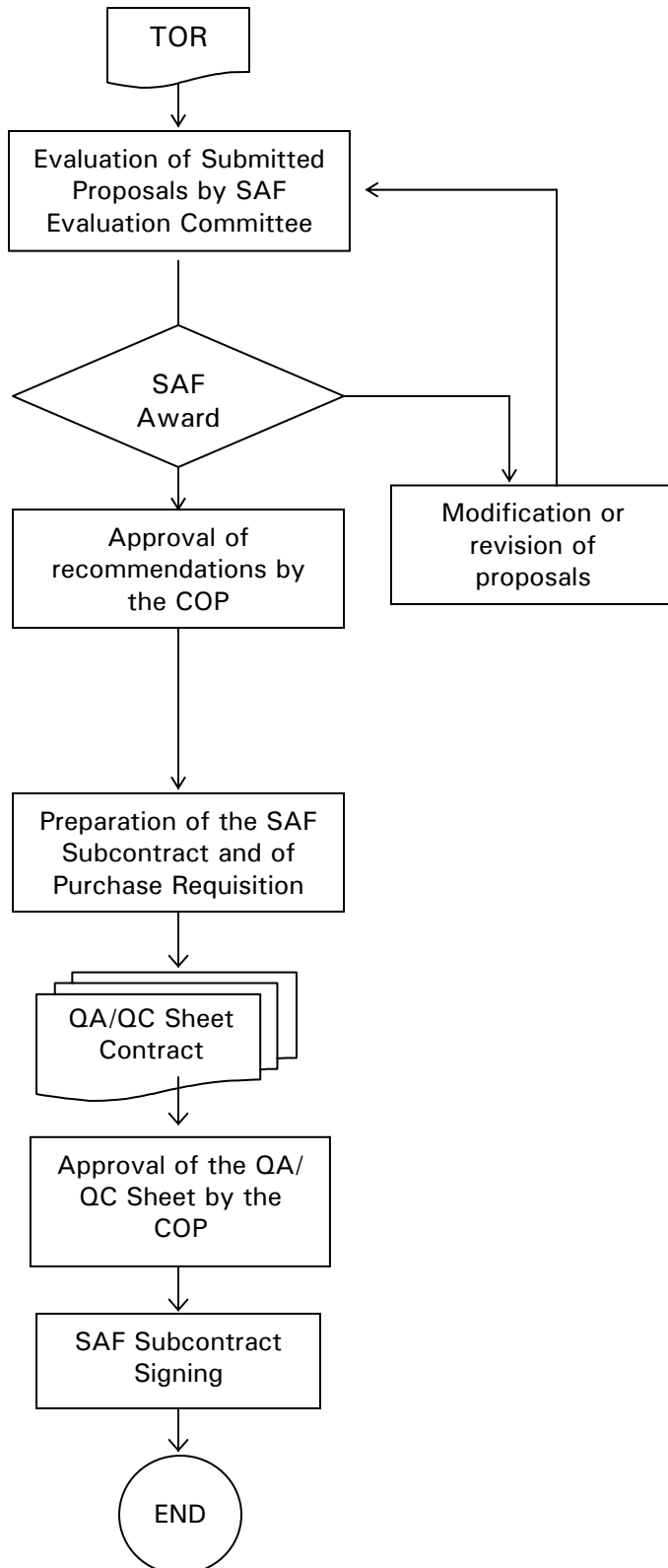
## **TERMINATION AND SUSPENSION**

FISH Project management may exercise the right to terminate a SAF Subcontract Agreement, in whole and in part, or suspend payments, should the subcontractor not meet their responsibilities as set forth in the SAF Agreement or utilize SAF for activities which are not contemplated within the subcontract and such other grounds as may be determined by the FISH Project management in its sound discretion. At the end of the contract period, the subcontractor shall submit a terminal report as stated under the SAF Guidelines.

*\*\*\* nothing follows \*\*\**

## ATTACHMENT 4.A

### PROCESS FLOWCHART FOR SUBCONTRACTS



Site Manager/Project Specialist prepares the Scope of Work based on project ideas identified during the annual programming and sends invitation to targeted SAF recipient to submit proposals to FISH Project.

SAF Evaluation Committee composed of DCOP for Admin and Admin Manager (Cebu) together with appropriate technical specialist/s shall evaluate the proposal based on evaluation criteria set forth in the guidelines. The committee shall recommend appropriate action to the COP.

SAF Evaluation Committee consolidates recommendations and submits to the COP for approval. If decision is approval of the proposal, the SAF Subcontract shall then be prepared detailing the terms and conditions including the modalities of the contract. If decision is modification or revision of proposal, then DCOP Admin shall inform the proponent to make the revisions and ask to resubmit the changes to the SAF Evaluation Committee.

Admin Manager prepares the Purchase Requisition and drafts the SAF Subcontract

Once the SAF Subcontract is drafted, Admin Manager prepares the QA/QC sheet for the Subcontract. DCOP for Admin incorporates revisions and finalizes the SAF Agreement

COP approves the QA/QC Sheet of the SAF Subcontract

Once the QA/QC is signed, the contract is forwarded to DCOP Admin who coordinates signatures of Subcontractor and the OM/COP. Original copy is kept by the FISH Office; copy to Cebu and site offices.

**ATTACHMENT 4.B**  
**FIXED-PRICE SUBCONTRACT AGREEMENT**

**SPECIAL ACTIVITIES FUND AGREEMENT**  
**(Fixed-Price Subcontract Type)**

**BY**  
**AND**  
**BETWEEN**

**TETRA TECH EM INC./THE FISH PROJECT**

**AND**

**\*\*INSERT NAME OF NGO HERE\*\***

**FOR**

**\*\*Insert Title Activity Title Here\*\***

**SAF AGREEMENT NO.: 001-2005**

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## SECTION A

Tetra Tech EM Inc./The FISH Project  
18<sup>th</sup> Floor, OMM CITRA Bldg, San Miguel Ave, Ortigas Center, Pasig City, Philippines  
(hereinafter referred to as "The FISH Project" or "Prime Contractor")

and

**\*\*Name and Address of SUBCONTRACTOR\*\***  
(hereinafter referred to as " \_\_\_\_\_ " or "Subcontractor")

## PREAMBLE

The services to be furnished by the Subcontractor under this Agreement are in support of Tetra Tech EM Inc.'s (Tetra Tech or Prime Contractor) Fisheries Improved for Sustainable Harvest (FISH) Project, Prime Contract No. 492-C-00-03-00022-00 with the U.S. Agency for International Development (USAID)/Philippines, Office of Energy and Environment.

WHEREAS, Tetra Tech desires to subcontract a portion of those services under the Prime Contract to the Subcontractor. Therefore, in consideration of the mutual premises and covenants set forth herein, the Prime Contractor and the Subcontractor agree as follows:

This SAF Agreement supersedes all previous understandings, written or oral, between the parties and sets forth the entire understanding of the parties regarding the subject matter hereof. By accepting this Subcontract, the Subcontractor agrees to be bound by all the Subcontract terms and conditions set forth hereafter, all other provisions, documents attachments, and exhibits attached hereto and referenced herein.

IN WITNESS WHEREOF, the parties hereto have entered into this agreement effective as of the last date signed below:

Tetra Tech EM Inc.

(Subcontractor)

(Prime Contractor)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

## **SECTION B**

### **SERVICES AND COMPENSATION**

#### **1. PURPOSE**

The Subcontractor shall render the services described in Section C, Statement of Work, and set forth in Attachment 1, to support the Prime Contractor in its implementation of the Fisheries Improved for Sustainable Harvest (FISH) Project in the Philippines. Subcontractor services shall be performed in a manner consistent with the generally accepted standards of care, quality, and skill applicable to the Subcontractor field of profession. The overall goal of FISH Project is to increase fish stocks by 10 percent in four focal areas by 2010. Subcontract support is required to assist the Prime Contractor achieve the overall goal of the FISH Project and to accomplish the project objectives for which this subcontract is intended.

#### **2. SUBCONTRACT TYPE/PRICE**

This is a firm-fixed-price subcontract agreement for the services described in Attachment A, Statement of Work, and effective for the period stated in Section F of this Subcontract. By accepting this Subcontract, the Subcontractor agrees to perform all the work and submit all deliverables within the timeframe established in the schedule, in accordance with all the terms and conditions of this Subcontract at the fixed price of AMOUNT IN WORDS (P\_\_\_\_.00) Philippine Pesos. Compensation for performance of services delivered shall not exceed the total firm-fixed-price.

#### **3. OTHER REQUIREMENTS**

##### **3.1 Consultant and Subcontract Costs**

The Subcontractor may not place any lower-tier Subcontractor under the resulting agreement without the advance written consent of the Prime Contractor.

##### **3.2 Non-Expendable Property**

The Subcontractor may not purchase any non-expendable property under this Subcontract without the prior written consent of the Prime Contractor's Chief of Party.

##### **3.3 Logistic Support**

Subcontractor shall provide all required administrative and logistic support necessary for the performance of the services under the subcontract.

#### 4. PAYMENT

- 3.1 Payment will be made in Philippine currency following submission of billings for services rendered. After receipt of properly prepared billings or vouchers, the Prime Contractor shall pay the Subcontractor the prices stipulated below for work delivered, less any deductions provided in the subcontract.

Deliverable	Estimated Schedule of Payment	Budget Disbursement Percentage of Subcontract Price
Upon signing of Subcontract	Upon signing of Subcontract	xx percent: Pxxx.xxx
Completion of field work and data collection and submission of progress report	45 days after Prime Contractor's Acceptance of Deliverable	xx percent: Pxxx.xxx
Submission of final output	45 days after Prime Contractor's Acceptance of Deliverable	xx percent: Pxxx.xxx
Acceptance of final output	45 days after Prime Contractor's Acceptance of Deliverable	xx percent: Pxxx.xxx
T O T A L		P_____.00

- 4.2 For services rendered, the Subcontractor shall submit billings/invoice to the address shown below:

Tetra Tech EM Inc.  
18th Floor, OMM CITRA Bldg  
San Miguel Ave, Ortigas Center  
Pasig City, Philippines

- 4.3 In order to be considered properly submitted, an invoice must include the following data:
- (a) Subcontractor's name and business address on letterhead
  - (b) Date of the invoice
  - (c) Description of services delivered
  - (d) Total current amount due and cumulative amount invoiced
  - (e) Subcontractor certification stating that: "All payments are for appropriate purposes and in accordance with the terms and conditions set forth in the subcontract."

## **SECTION C**

### **STATEMENT OF WORK**

Services required under this subcontract are described in Attachment A (Statement of Work) of this subcontract agreement.

## **SECTION D**

### **PACKAGING AND MARKING**

1. Pursuant to the requirements of the Prime Contract and AIDAR Clause 752.7026, Reports, the cover page of all reports prepared by the Subcontractor shall include the following information:

Implementation of the Fisheries Improved for Sustainable Harvest Project  
Project No. 492-C-00-03-00022-00

Name of Project  
SAF Agreement No.001-2005

Prepared by  
NAME OF SUBCONTRACTOR

2. All reports, research studies, technical assistance, or conferences and workshops resulting from this Subcontract shall include the following statement:

"This activity was made possible through support provided by the U.S. Agency for International Development (USAID) under the terms of Contract No. AID 492-C-00-03-00022-00. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of USAID."

## **SECTION E**

### **INSPECTION AND ACCEPTANCE (FAR 52.246-04)**

1. Inspection and acceptance of all services, reports, and other required deliverables or outputs will be made in the Republic of the Philippines by the Prime Contractor Chief of Party or his designated representative.
2. The Prime Contractor will not provide acceptance for the work provided under this agreement until such work has been demonstrated to comply with the applicable performance and other requirements as specified in the statement of work. Acceptance by the Prime Contractor does not waive the rights of the Prime Contractor with respect to the warranty provisions of this Subcontract.
3. If any of the services, reports, and required deliverables or outputs does not conform to the requirements of the subcontract, the Prime Contractor may require the Subcontractor to perform the services again and /or provide additional materials or supplies in conformance with the subcontract requirements at no additional costs to the Prime Contractor or its client.
4. If the Subcontractor fails to promptly perform the services again or take the necessary action to ensure acceptable future performance, the Prime Contractor may, by subcontract or otherwise, re-perform the services and charge to the Subcontractor any costs incurred by the Prime Contractor that are reasonable and directly related to the services, or terminate the subcontract for default.
5. Inspection and acceptance of service, reports, and required deliverables or outputs shall form the basis of approval for all payments to the Subcontractor.

## **SECTION F**

### **DELIVERIES OR PERFORMANCE**

#### **1. PERIOD OF PERFORMANCE**

Performance under this subcontract begins on the date shown in Section A of this subcontract and ends \_\_\_\_\_. The Prime Contractor is not obligated to reimburse the Subcontractor for any costs incurred either before or after the period of performance. Any extension of this period of performance requires the Prime Contractor's written approval.

#### **2. PLACE OF PERFORMANCE**

The place of performance of this subcontract is the Philippines, at the focal sites identified in the Statement of Work.

#### **3. OPTION TO EXTEND SERVICES**

The Prime Contractor may require continued performance of any services within the limits specified in the Subcontract.

#### **4. REPORTS AND DELIVERABLES OR OUTPUTS**

4.1 The Subcontractor shall submit all reports to:

Fisheries Improved for Sustainable Harvest Project  
Tetra Tech EM Inc.  
18<sup>th</sup> Floor, OMM CITRA Bldg, San Miguel Ave, Ortigas Center, Pasig City, Philippines  
Attention: Mr. Marciano F. Carreon III, Chief of Party

All such reports shall bear the name of the Prime Contractor and the Subcontractor and shall be prepared in the English language unless otherwise specified.

##### **a. Progress Report**

The Subcontractor shall submit a progress report every \_\_\_\_\_ that provides a summary of the following information:

- (a) The progress of the major activities in process during the period in relation to established objectives under the terms of the Subcontract and/or in work plans, with success stories and accompanying pictures, if any.
- (b) The problems encountered during the period

- (c) Proposed remedial actions, as appropriate
- (d) The peso amount of total estimated costs, expenditures for the reporting period, and cumulative expenditures
- (e) In person-months, the total estimated level of effort (LOE), the LOE utilized during the reporting period, and the cumulative total LOE utilized

Progress reports in five (5) copies shall be submitted.

#### b. Completion Reports

The Subcontractor shall prepare completion report that contains the following information:

- (a) The assignment, methods of work used, and recommendations regarding unfinished work and/or program continuation
- (b) An index of all reports and information products produced under the Subcontract. The index shall describe each report and information product.
- (c) A compilation of success stories with pictures on the implementation of the SAF

Completion report in five (5) copies shall be submitted on or before \_\_\_\_\_, in paper and electronic formats, unless otherwise extended by the Prime Contractor's Chief of Party.

#### c. Other Reports and Information or Intellectual Products

If applicable, the Subcontractor shall submit copies of other reports and information products which document development program activities and experience performed under the Subcontract. Such reports and information include (1) documents, (2) studies, (3) publications, (4) newsletters, (5) policy papers, (6) video documentation, (7) bulletins, (8) pictures and (9) other intellectual materials prepared by the Subcontractor/Grantee that describe, communicate, or organize development program activities and experiences.

In addition to the requirements of Section D.1, the reports and information products should include description information such as the publication or issuance date of the document; the document title; author name(s); organization and address; telephone, facsimile, and/or Internet number of author(s).

Reports and information products shall be submitted in paper and electronic formats. The hard copy should be prepared on non-glossy paper, preferably recycled and white or off-white, using black print. Elaborate art work, multi-color printing, and expensive bindings are not to be used. Whenever possible, pages should be printed on both sides.

The electronic format should be submitted using MS Word and/or Excel files.



## **SECTION G**

### **SUBCONTRACT ADMINISTRATION DATA**

#### **1. PROJECT MANAGEMENT**

The Prime Contractor's Chief of Party, or his duly authorized representative, will provide direction to the Subcontractor relative to the specific work to be performed hereunder. In the event technical direction is given that will affect the price and/or period of performance, or otherwise is in conflict with the terms and conditions of this Subcontract, the Subcontractor is responsible for notifying the Prime Contractor's Chief of Party or his designated representative identified in Clause G.2 below.

Tetra Tech Chief of Party: Mr. Marciano F. Carreon III  
Tel. No. (0632) 6360052

Subcontractor: \_\_\_\_\_  
Tel.No. \_\_\_\_\_

#### **2. SUBCONTRACT ADMINISTRATION**

In regard to contractual and administrative matters relating to this Subcontract, the only persons empowered to make commitments on behalf of their respective organizations to effect changes to any portion of this Subcontract are:

Tetra Tech Subcontract Manager:

Subcontractor:

#### **3. BILLING**

All invoices shall be submitted to:  
Tetra Tech EM Inc.  
18<sup>th</sup> Floor, OMM CITRA Bldg,  
San Miguel Ave, Ortigas Center  
Pasig City, Philippines  
Attn: Mr. Marciano F. Carreon III

#### **4. SUBCONTRACTOR REMITTANCE ADDRESS**

All payments shall be forwarded to:

Name of Subcontractor:  
Address of Subcontractor:

## **5. TECHNICAL DIRECTIONS/RELATIONSHIP WITH THE PRIME CONTRACTOR**

- (a) Technical direction is defined to include:
  - i. Written directions to the Subcontractor which fill in details, suggest possible lines of inquiry, or otherwise facilitate completion of work
  - ii. Written information to the Subcontractor which assists in the interpretation of drawings, specifications, or technical portions of the work statement
  - iii. Review and, where required, provide written approval of technical reports, drawings, specifications, or technical information to be delivered

Technical directions must be in writing and be within the scope of the work.

- (b) The Prime Contractor's Chief of Party is authorized to take any or all action with respect to the following, except any action specifically prohibited by the terms of this Subcontract:
  - i. Assure that the Subcontractor performs the technical requirements of the Subcontract in accordance with the Subcontract terms, conditions, and specifications
  - ii. Perform or cause to be performed, inspections necessary in connection with (a) above and require the Subcontractor to correct all deficiencies, perform acceptance for USAID
  - iii. Maintain all liaison and direct communications with the Subcontractor. Written communications with the Subcontractor and documents shall be signed as "Chief of Party" or "Tetra Tech Project Manager,"
  - iv. Monitor the Subcontractor production or performance progress and notify the Subcontractor in writing of deficiencies observed during surveillance, and direct to appropriate action to effect correction. Record and report to the Prime Contractor's Subcontract Manager incidents of faulty or non-conforming work, delays, or problems
  - v. Obtain necessary security clearance and appropriate identification if access to U.S. Government facilities is required. If to be provided, ensure that USAID-furnished property is available when required
- (c) The Prime Contractor Chief of Party or his authorized representative is required to meet as needed with the Subcontractor concerning performance of items delivered under this Subcontract and any other administration or technical issues. Telephonic reports may be made if no problems are being experienced. Problem areas should be brought to the immediate attention of the Prime Contractor's Chief of Party.

- (d) The Prime Contractor Chief of Party may designate someone to serve in his place during his absence. However, such action shall be communicated immediately to the Subcontractor.
- (e) Contractual problems, of any nature, that may arise during the life of the subcontract must be handled in conformance with specific public laws and regulations. The Subcontractor shall bring all subcontracting problems to the immediate attention of the Prime Contractor Chief of Party. The Prime Contractor's Chief of Party shall be responsible for resolving legal issues, making determinations on the scope of the subcontract, interpreting the terms and conditions of the subcontract. The Prime Contractor's Chief of Party shall be empowered to approve changes in any of the requirements under this subcontract. Notwithstanding any clause contained elsewhere in this subcontract, said authority remains with the Subcontract Manager. These changes include, but will not be limited to the following areas: scope of work, price, quantity, technical specifications, delivery schedules, and subcontract terms and conditions. In the event that the Subcontractor effects any changes at the direction of other than the Prime Contractor's Chief of Party, the change will be considered to have been made without authority and the Subcontractor assumes all contractual and financial risks.

## **6. LINES OF AUTHORITY**

The Prime Contractor Chief of Party shall assure that the Subcontractor performs the technical requirements of the Subcontract in accordance with the terms, conditions, and specifications of the Subcontract. When applicable, the Prime Contractor Chief of Party shall issue written interpretations of technical requirements of government drawings, designs, and specifications. The Prime Contractor Chief of Party shall monitor the Subcontractor's production or performance progress; notify the Subcontractor, in writing, of deficiencies observed during surveillance, and direct appropriate action to effect correction.

## **7. CHANGES**

In accordance with FAR Clause 52.243-01, Changes-Fixed Price, the Prime Contractor shall have the right by written notice to change the extent of the work covered by the Subcontract, the drawings, specifications, or other description herein, the time method or place of delivery or the method of shipment or packaging or to suspend work. Upon receipt of any such notice, the Subcontractor shall proceed promptly to make the changes in accordance with the terms of the notice. If any such change causes an increase or decrease in the cost of performance or in the time required for performance the Subcontractor shall provide prompt notice to the Prime Contractor of any change or costs or time for performance and an equitable adjustment shall be negotiated promptly and the Subcontract modified in writing accordingly.

## **SECTION H**

### **SPECIAL SUBCONTRACT REQUIREMENTS**

#### **1. INSURANCE**

The Subcontractor shall be responsible for obtaining any type of insurance coverage for its employees and a copy of the insurance certificate presented to the Prime Contractor prior to commencement of work. The cost of such insurance shall be borne by the Subcontractor.

#### **2. KEY PERSONNEL**

The Subcontractor shall assign to this subcontract the following key personnel:

- a. xxx
- b. xxx
- c. xxx

During the first ninety (90) calendar days of performance, the Subcontractor shall make no substitutions of key personnel unless the substitution is necessitated by illness, death, or termination of employment. The Subcontractor shall notify the Buyer's subcontract representative within fifteen (15) calendar days after the occurrence of any such events and provide the information required under paragraph (c) below. After the initial ninety (90) calendar day period, the Subcontractor shall submit the information required under paragraph (c) to the Buyer's subcontract representative at least 15 calendar days before making any permanent substitutions. The Subcontractor shall provide a detailed explanation of the circumstances necessitating the proposed substitutions, complete resumes of the proposed substitutes, and any additional information requested by the Buyer. Proposed substitutes should have qualifications comparable to those of the persons being replaced. Within fifteen (15) calendar days after receipt of all required information, the Buyer's subcontract representative will notify the Subcontractor of the decision on substitutions. This clause will be modified to reflect any approved changes in key personnel.

#### **3. TRAVEL EXPENSES**

- 3.1. Notwithstanding any other provision of this Subcontract, if any of the personnel utilized hereunder are discharged by the Subcontractor for misconduct or inexcusable non-performance, travel and transportation costs associated with the assignment of substitute personnel therefore shall not be an allowable cost under this Subcontract.
- 3.2. Misconduct shall be defined as the deliberate and/or repeated disregard for the laws and regulations of the Republic of the Philippines and of the Subcontractor's own

policies, or the continued existence of conflict of interest after advice that such conflict exists.

- 3.3. Inexcusable non-performance shall be defined as unauthorized absences or failure to undertake and/or complete assigned tasks, which are within the scope of work of this Subcontract, when such absences or failures are within the control of the individual.

#### **4. SUBMISSION OF COMPLETION VOUCHER**

At contract completion, a final invoice clearly marked as FINAL indicating that all services have been completed and that the final invoice represents complete consideration for all services rendered and/or supplies furnished.

#### **5. INDEMNIFICATION**

- 5.1 The Subcontractor shall defend, indemnify, and hold harmless the Prime Contractor and Prime Contractor's parent, subsidiary, and affiliate companies, and the directors, officers, employees, and agents of any and all of the foregoing, to the full extent permitted by applicable law from and against any and all claims, damages, demands, suits, actions, judgements, liabilities, defaults, or costs and expenses, including court costs and attorney fees, all of which shall collectively be referred to herein as the "Liabilities," arising directly out of the Subcontractor negligent performance and wilful misconduct hereunder and including the following:
- a. Any damage or injury to the Subcontractor, its employees, agents, or property (including economic interest), or any damage or injury to any third party or its property (including economic interests), caused by the negligent acts, wilful misconduct or omissions of the Subcontractor, its employees, or its agents, in the course of or as a result of performing under this Subcontract
  - b. Any penalty or fine incurred by or assessed against the Subcontractor to the extent caused by the negligence or willful misconduct of the Subcontractor, its employees, agents, suppliers, or consultant
  - c. Any failure on the part of the Subcontractor to provide any certification or supporting information required hereunder or under applicable laws and regulations
  - d. The provision by the Subcontractor of any false or erroneous certification or supporting information required hereunder or under applicable laws and regulations
  - e. Any false claim submitted by the Subcontractor under this Subcontract, or any misrepresentation of fact or fraud by the Subcontractor under or in connection with appeals made by the Prime Contractor or the Subcontractor
  - f. Any injury, illness, disease, death, or other harm suffered or incurred by any employees of the Subcontractor, or consultant of the Subcontractor, regardless of

whether the Subcontractor has adopted any applicable health and safety procedures

- 5.2 Notwithstanding any other provisions to the contrary of this clause, the Subcontractor shall not be obligated to indemnify the Prime Contractor for liabilities caused by the Prime Contractor's negligent acts or omissions. Each party shall indemnify the other in proportion to the liabilities caused by each party's negligent acts or omissions.
- 5.3 Subcontractor obligations under this article entitled "Indemnification" shall survive any expiration or termination of this Subcontract of the period of performance hereunder.

## **6. BREACH**

In the event of a breach by the Subcontractor of any provision hereof, which remains uncured ten (10) calendar days after notice to Subcontractor of such breach from Prime Contractor, Prime Contractor shall have the right, in addition to all other rights and remedies available to it hereunder or at law or in equity, to terminate or suspend its performance under this Subcontract, and to assert against any amounts that Prime Contractor might owe to Subcontractor a set-off in the amount of any loss, liability, damage, cost or expense incurred or reasonably expected to be incurred by Prime Contractor as a result of such breach.

## **7. DISPUTES**

- 7.1 Except as otherwise provided in this Subcontract, any dispute concerning a question of fact arising under this Subcontract, which is not disposed of by agreement, shall be decided by the Prime Contractor. Such decision shall be reduced to writing and a copy thereof mailed or otherwise furnished to Subcontractor. Within thirty (30) calendar days after the date of receipt of such copy, Subcontractor may notify the Prime Contractor, in writing, of this disagreement, if any, with the decision.
- 7.2 In the absence of such notice, such decision shall be final. In the event of notice from Subcontractor as aforesaid of its disagreement, Subcontractor may appeal said dispute by pursuing any right or remedy it may have at law or in equity in any court of competent jurisdiction.
- 7.3 Pending a final decision of a dispute hereunder, the Subcontractor shall diligently proceed with performance of the requirement of the project in accordance with the decision of the independent arbitrator and Subcontractor legal rights shall not be prejudiced as a result of its continued performance in accordance with the independent arbitrator's decision.

## **8. SEVERABILITY**

If any of the provisions of this Subcontract or part of such provisions are or become invalid or unenforceable, the remaining provisions shall continue to be effective.

## **9. WAIVERS**

No waiver by a party of any of its rights or remedies hereunder shall be construed as a waiver by such party of any other rights or remedies that such party may have under this Subcontract.

## **10. TERMINATION**

The Prime Contractor may terminate performance of work under this Subcontract, in whole, or from time to time, in part, if the Prime Contractor determines that a termination is in the interest of the Prime Contractor; of the Subcontractor defaults in performing this Subcontract and fails to cure the default within ten (10) calendar days after receiving a notice specifying the default. "Default" includes failure to make progress in the work so as to endanger performance. The Prime Contractor shall terminate by delivering to the Subcontractor a Notice of Termination specifying whether termination is for default of the Subcontractor or for convenience of the Prime Contractor, the extent of termination, and the effective date. After receipt of a Notice of Termination, and except as directed by the Prime Contractor, the Subcontractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause: (1) Stop work as specified in the notice; (2) Place no further subcontracts or orders (referred to as subcontracts in this clause), except as necessary to complete the continued portion of the Subcontract; (3) Terminate all subcontracts to the extent they relate to the work terminated.

After termination for convenience, the Subcontractor shall submit a final termination settlement proposal to the Prime Contractor in the form and with the certification prescribed by the Prime Contractor. The Subcontractor shall submit the proposal promptly, but no later than one (1) year from the effective date of termination. If the Subcontractor fails to submit the proposal within the time allowed, the Prime Contractor may determine, on the basis of information available, the amount, if any, due the Subcontractor because of the termination and shall pay the amount determined.

## **11. NEGATION OF THE FORMATION OF A BUSINESS ORGANIZATION**

This Subcontract shall not constitute, create, or in any way be interpreted to create a partnership, joint venture, or formal business organization of any kind between the Prime Contractor and the Subcontractor.

## **12. ORDER OF PRECEDENCE**

Any inconsistencies in this Subcontract shall be resolved by giving precedence in the following order: (1) the Schedule (excluding the specifications); (2) representations and other instructions; (3) Subcontract clauses Part I ;(4) the specifications, if any; and (5) the Subcontractor's proposal.

## **13. NOTICE OF INTENT TO DISALLOW COSTS**

Notwithstanding any other clause of this Subcontract, the Prime Contractor may at any time issue to the Subcontractor a written notice of intent to disallow specified costs incurred or planned for incurrence under this Subcontract that have been determined not to be allowable under the subcontract terms; and the Subcontractor may, after receiving such notice, submit a written response to the Prime Contractor, with justification for allowance of the costs. If the Subcontractor does respond within sixty (60) calendar days, the Prime Contractor shall, within sixty (60) calendar days of receiving the response, either make a written withdrawal of the notice or issue a written decision. Failure to issue a notice under this Notice of Intent to Disallow Costs clause shall not affect the Prime Contractor's rights to take exception to incurred costs.

## **14. ORGANIZATIONAL CONFLICT OF INTEREST**

The Subcontractor warrants that, to the best of its knowledge or belief, there are no agreements or affiliation that could give rise to an organizational conflict of interest as defined in FAR Subpart 9.5, or described hereunder.

The Subcontractor agrees that, if after the effective date of the Subcontract, it discovers an organizational conflict of interest with respect to the Subcontract of the Subcontractor performance hereunder, it shall make an immediate and full disclosure, in writing, to the Prime Contractor's Chief of Party or his designee. Such disclosure shall include a description of the action that the Subcontractor has taken or proposes to take to avoid, eliminate, or neutralize the conflict. The Subcontract or task order may be terminated by the Prime Contractor in the event such conflict would not be in the best interests of the Prime Contract or is required to be terminated by the Prime Contractor's client. The Subcontractor further agrees that if a conflict of interest is identified prior to execution of the Subcontract, it will adequately avoid, eliminate, or neutralize the conflict in a manner satisfactory to the Prime Contractor. In the event the Subcontractor was aware of an organizational conflict of interest any time prior to or after the execution of the Subcontract or acceptance of a task order and intentionally did not disclose the conflict to the Prime Contractor, the Subcontractor may be terminated for default, or the Prime Contractor may invoke such other remedies as may be authorized by law. The Subcontractor further agrees to insert clauses in any lower-tier subcontracts that shall conform substantially to the language of this clause.



## **15. SET-OFF**

The Prime Contractor may set off amounts in dispute against amounts payable to the Subcontractor under any invoices related to this subcontract any claims or charges the Prime Contractor may have against the Subcontractor.

## **16. EXECUTIVE ORDER ON TERRORISM FUNDING**

The Subcontractor is reminded that United States (U.S.) Executive Orders and U.S. law prohibits transactions with and provisions of resources and support to individuals and organizations associated with terrorism. It is therefore the legal responsibility of the subcontractor to ensure compliance with these Executive Orders and laws. This provision must be included in all lower tier contracts issued under this Agreement.

## **17. U.S. AND PHILIPPINE GOVERNMENT INVESTIGATION**

The Prime Contractor reserves the right to terminate this Subcontract in the event the Subcontractor is subject to sanctions arising from investigative procedures instituted against the Subcontractor by agencies of the U.S. and Philippine Government.

## **18. GOVERNING LAW**

In its performance of service or work hereunder, Subcontractor shall comply in all respects with any and all national and local laws, rules, regulations, and codes (e.g., requirement for permits or certificates), including without limitation any other national or local environmental laws and regulations hereunder, all as the same might be amended or extended from time to time. Irrespective of the place of performance, this Subcontract will be construed and interpreted in accordance with the laws of the Republic of the Philippines.

**ATTACHMENT A  
STATEMENT OF WORK**